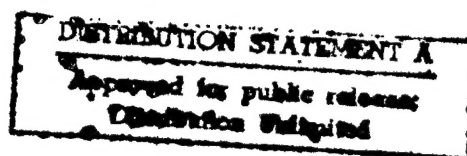




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Near East & South Asia

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Near East & South Asia

JPRS-NEA-89-052

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REGIONAL AFFAIRS

Egypt-Sudan Professors' Conference Offers Different View of Relations

45040352b London AL-MAJALLAH
in Arabic 30 May 89 pp 22-23

[Article by Fahmi Huwaydi]

[Text] Last week, Cairo witnessed a unique event in the Arab realm. For the first time in 30 years, a meeting for openness—glasnost in current parlance—between Egyptians and Sudanese was convened, in which the file on relations between the two countries was opened, so as to lay bare the residue of the past, the worries of the present, and the fears and hopes surrounding the future.

This unique, stimulating openness was facilitated by the fact that its participants spoke out as researchers and experts, not as politicians or officials. Also, there were those who doffed their professional mantles before entering the discussion hall, where the remaining constraints and controls of their professionalism could only dissolve in the face of the extreme candor and boldness which characterized the dialogue. Thus their hearts opened wide, at least for the 3 days which the dialogue lasted.

Because those calling for this dialogue are professors of Cairo University's Center for Political Research and Studies, and Khartoum University's Department of Political Science, School of Economics, the openness meeting became a first-rate academic meeting, which permitted its task to be based on solid, serious studies, not mere transitory impressions and thoughts.

The premise of the meetings was that there is a palpable tepidity in Egyptian-Sudanese relations, which must not continue. Consequently, all active, effective cells in the two countries must stand up and mobilize to remedy this tepidity and restore warmth and vigor to these relations, which have always possessed a special character, and which must be elevated above any disagreement regardless of its scope or parties.

Because the prevalent custom in the Arab world is for politicians, foreign ministries, joint ministerial committees, and pertinent embassies to be involved in such occasions, it was striking and stimulating that such activity was being undertaken this time by intellectuals of inconsequential standing who are nonetheless entitled to take a stand!

Regardless of whether the explanation for this is concealed in the nature of that special character which typifies relations between the two countries, or in the fact that the people of the two universities perceived—in an awakening of mind and conscience—that they cannot isolate themselves from a course of events moving in a direction which does not adequately serve the future of their two countries and the Arab nation—and whether or not the professors of the two universities realize that

relations between the two countries have attained to a degree of weakness—rescue action has become an individual duty incumbent on everyone without exception. In any case, it is certain that the encounter was arranged, and the meeting was held; all of the files were summoned forth, and their contents were brought out into the open and displayed on the table.

The door of the large hall at the Shepherd Hotel in Cairo was closed, and the journalists were instructed not to attribute remarks, so as not to impede the discussion. They were also told to describe whatever aspects and ideas of the dialogue which they wished. After everyone felt secure, hearts were opened, and permitted and unpermitted discussion began!

There were 30 Sudanese participants and 30 or slightly more Egyptian participants. Not all were university professors specialized in history, economics, and political science. Also present were a number of senior Egyptian and Sudanese military personnel, former ministers and ambassadors, representatives of parties, irrigation experts, and a number of specialists in African affairs and Egyptian-Sudanese relations.

Muhammad 'Ali Pasha Put on the Spot!

Conference participants started with historical topics, given the realization that many current sensitive areas are remnants of past bitter experiences and wounds which the different parties have neither transcended nor remedied.

Muhammad 'Ali Pasha was put on the spot with the opening of the first history file!

This pasha—who was appointed governor of Egypt at the start of the 19th century by the Ottoman caliphate and who later became independent from it and established the family which ruled Egypt until the 1952 revolution—directed the first military campaign against Sudan in 1820, concerning which historians of the two countries differ as to whether it was an assault or a conquest.

Most Sudanese historians and statesmen consider Muhammad 'Ali's campaign an assault with expansionist goals and economic ambitions accompanied by the evils of such an action, namely oppression, plundering and degradation. However, most Egyptian historians describe the campaign as a conquest carried out with strategic ingenuity by Muhammad 'Ali Pasha, who wanted to secure the southern front. They also maintain that the campaign was very much to Sudan's advantage, because it accelerated its political and economic development. Some Egyptian historians went so far as to maintain that the Egyptian campaign was directed at Sudan at the request of some of its inhabitants.

The first paper to be discussed regarding this topic was by a Sudanese, Hasan Ahmad Ibrahim, professor of history and dean of the College of Humanities at Khartoum University, and as such expressed a Sudanese viewpoint. Abraham puts Muhammad 'Ali and his family on trial and condemns this family's course of action, which ended with the 1952 revolution.

The next paper, by an Egyptian, Dr Yunan Labib Rizq, professor of history at 'Ayn Shams University, dealt with historical relations between the two countries from a different perspective, using the methodology of discussing studies and what he called historical experience, without putting anyone on trial. He also highlighted the role of external influences in sowing friction between the two countries, stating that many of the statements which Egyptian and Sudanese intellectuals enjoy throwing at each other during crises were fabricated and circulated primarily by external forces. At the same time, he condemned the position of "extremists" who treat the historical experience of relations between the two countries with extreme hostility or limitless support.

"In what follows, we will comply with the conference chairman's request not to mention the names of discussion participants. However, we will indicate the names of authors of papers presented at the conference and some of their ideas, inasmuch as their research is available to everyone."

Numerous opinions were expressed on the historical interpretation of the distinction between assault and conquest. Finally, an elderly Sudanese participant, weary of the issue, questioned the benefit of exonerating or condemning the pasha at present and called for permanent closure of the Muhammad 'Ali Pasha file!

In reply, an elderly Egyptian stated that the result would be of little practical benefit, for if we presume that it was an assault and not a conquest, why should Egypt be called to account now, some 170 years later. He added that the Conservative and Labor parties in England are behind many of the crimes and degradations which befell our nation; however, no one is calling on British Prime Minister Thatcher to account for them!

The discussion on history continued for 3 hours. I do not think that its goal was to settle an argument by exonerating or condemning Muhammad 'Ali Pasha. Rather, the goal which it achieved was the extraction of impressions and feelings hidden deep inside. It also shed some light on the roots of current sensitivities, especially the complaint of many Sudanese intellectuals and statesmen that Egypt has persisted in playing the role of Sudan's guardian and has rejected the principle of bilateral equality [niddiyah]. A Sudanese expressed this sentiment as follows: Egypt treats Sudan paternalistically; we desire brotherly treatment, as there is no place or reason for relations to proceed in the framework of a father's

treatment of his son. Rather, it is more correct for relations to be formulated by considering them fraternal relations between two brothers, one of whom is older than the other.

The discussion subsequently moved to the effect of these sensitivities on reality, including what was designated forms [ishkaliyat] of mutual awareness "which attempted to provide the characteristics of each people's perception of the other, or the projection of history onto the psychological state of the two peoples."

Regarding this aspect, a number of important papers were presented to the conference which drew attention, including a paper entitled "Repelling Falsehood in the Sudanese Message Regarding Egypt" by Dr 'Abdallah 'Ali Abraham, a professor in the Folklore Department at Khartoum University's African Studies Institute. Abraham chose the topic of his article from the name of the book, "al-nida' fi daf' al-iftira'" [The Call for Repelling Falsehood], which was published at the start of the 1950's by Sudanese historian Muhammad 'Abd-al-Rahim, whose main topic is a reaction to Egyptian observations regarding Sudan and the Sudanese, some which he considered improper, while categorizing others as defamatory.

Abraham believes that the issue of "falsehood and the repulsion of falsehood" forms one of the pivots of the Sudanese message, which was preoccupied with correcting and refuting Egyptian impressions of Sudan. He proceeds from the claim that Egyptian intellectuals are ignorant of the Sudanese reality, and are familiar with Sudan from the writings of others, not from direct contact with Sudanese reality.

Abraham infers this from Muhammad 'Abd-al-Rahim's response to a book by Egyptian writer and statesman Dr Muhammad Husayn Haykal, entitled "asharat ayyam fi al-sudan" [Ten Days in Sudan], and from a series of articles by Egyptian historian Dr 'Abd-al-'Azim Ramadan about writers of Sudanese history in which Sudanese historians encounter Egypt playing the role of the guardian of Sudanese intellectuals, in addition to Egyptian justification of Muhammad 'Ali Pasha's positions on Sudan, ranging from the conquest to the often repeated issue of bringing in slaves from Sudan.

The researcher describes the message of falsehood and repelling falsehood as a pitiful message because it limits itself to expressions of hearkening [al-ansat] and equality [al-niddiyah], and it constrains dialogue with the fetters of the past. Finally, he called for the need to transcend this message and strike an objective, balanced view.

In the same vein, a paper on balancing media relations was presented by Dr al-Tayyib Hajj 'Atiyah, chairman of the Information Center at Khartoum University. 'Atiyah maintains that media relations between the two countries are imbalanced and based on Egyptian output, not on a mutual Sudanese-Egyptian exchange, such that

Egyptian intellectuals have become convinced that Sudan's eternal role is that of the "interviewee" and not that of the correspondent or an equal participant.

This was followed by an Egyptian paper presented by Dr 'Abd-al-'Aziz, professor of history at 'Ayn Shams University, which pointed to the role of political history in the weakening of relations between the two countries in the light of Sudanese talk of Egyptian colonialism and Egypt's responsibility for the errors of former Sudanese President "Ja'far Numayri." 'Abd-al-'Aziz also criticized what he called the negative attitude of the two peoples toward each other.

Water and Borders

The second and third days of the conference were devoted to more complicated, urgent and controversial issues: Nile water, borders, joint security and defense, and political, economic, cultural, and educational relations.

The issue of Nile water was considered the "heart of Egyptian-Sudanese relations" and a cause for tension, even though numerous agreements, the most recent of which was signed between them in 1959, govern each country's relation to, and share of, Nile water. However, Sudanese irrigation experts believe that this agreement should be reviewed, because it harms Sudan's rights and does not equitably treat the highly important, crucial issue of water. Settlement of this problem to the satisfaction of both parties is considered an important step toward stabilizing and calming relations. They also underscored the need to revise the agreement because it was concluded by the two outlet states, which annoyed the source states, led by Ethiopia which responded by establishing, with other states, an organization to exploit Nile water resources, resulting in the establishment of several projects which expelling around 5 billion cubic meters. As long as the Nile basin states do not agree on a solution to the problem, it will continue to be a constant source of tension and anxiety.

A number of military personnel, legal experts, and historians participated in the discussion on borders. The gist of the discussion is that since Sudan's independence in 1956, Egypt and Sudan have disputed several border areas, the most important being the "Halayib" area, which has not been settled yet even though it could disrupt bilateral relations, as happened in 1958. According to several speakers, the subject was raised in Sudan following the last uprising in 1986.

It was agreed that putting the problem on hold—as is currently the case—will complicate it further, and that Egypt and Sudan must reach a mutual understanding and agreement regarding it, especially since Sudan solved its border problem with Ethiopia, making it all the more appropriate for it to solve its problem with

Egypt. Accordingly, it was suggested that disputed "Halayib" be made into an area of integration and a common market between the two countries.

There was complete agreement on the joint security and defense issue, since military personnel, experts, and strategic studies agreed that the security of the two countries is one; that both constitute a single threat to the ambitions of major powers; and that the military doctrines of the two countries do not differ in their appraisals of the dangers threatening both of them. Consequently, if anything has differed in the two countries, the facts and strategic interests will not differ by any criterion.

Only two aspects regarding political relations aroused debate. The first pertained to the effect on current situations and policies of negative historical relations between Mahdism and Egyptian sovereign authority. Here, several Sudanese said that this effect no longer exists, and that the Ummah Party, which is headed by al-Sadiq al-Mahdi, has transcended old remnants and accounts, and that al-Mahdi is striving for positive relations with Egypt. However, others responded that circumstantial evidence does not permit that impression.

The second aspect prompting debate pertained to assessing the integration experiment during President Numayri's tenure and the brotherhood charter experiment signed during Sadiq al-Mahdi's tenure. Some viewed the two experiments negatively, while others viewed them positively. However, it was agreed that the brotherhood charter, in particular, lacks the mechanisms which would promote coordination or cooperation, and that as long as such mechanisms are unavailable, the charter will continue to be an expression of good intentions which neither benefit nor damage!

In this context, the issue of Egyptian sensitivity or overestimation in understanding the relation between Sudan and Libya was raised. It was said that Egypt's dissatisfaction with this relation is unjustified, and that it is in Sudan's interest to establish balanced relations with the different parties surrounding it, especially since relations with Libya are not only political, but are also tied to the extension of Sudanese tribes into the Libyan desert. Consequently, they have interests and close ties which must be taken into consideration.

Economic Pessimism

An atmosphere of pessimism has settled over the future of economic relations due to the difficult circumstances being experienced by both countries, which are more difficult for Sudan because it lacks attractive or stabilizing elements which would encourage the development of economic relations.

Nonetheless, no one disputed the importance of separating political tension from economic cooperation, continuing projects begun under the auspices of the attempt to integrate the two countries under President Numayri and President al-Sadat, and the need to not be satisfied with trade relations alone, but to move ahead to other horizons of economic cooperation. On this point, the researchers emphasized the importance of extending the railroad line from Khartoum to Aswan, and then to Cairo, as well as the land connection between the two countries. Those two steps are crucial for connecting the lifelines of the two countries.

In this regard, one participant stated that despite all the talk about eternal, unbreakable relations between the two countries, they are still far apart regarding wire and radio communications, a sorry situation requiring correction.

Regarding cultural and educational relations, the Sudanese participants maintained that the Khartoum branch of Cairo University had become an independent island unconnected to Sudan's education policy. Therefore, its graduates have begun to burden the Sudanese labor market. Egyptian university professors present believed that the Sudanese Government is entitled, in this matter, to practice its rights of sovereignty, of which all are aware.

The discussions occurred in the foregoing sequence. I feel that summarizing them does not fully do them justice, although our goal has been only to record their spirit, basic orientations, and final outcome.

Perhaps the most important conclusion produced by participants in their 3 days of meetings is that direct openness between brothers is the best way to assure mutual understanding, and that opening one's heart is a thousand times better than keeping one's feelings inside and engaging in insincere flattery.

The other important outcome is that it has become difficult in our Arab world to prevent political relations from influencing other relations. Consequently, there is no alternative to the tireless pursuit of improved political relations and the gradual reduction of tensions in these relations.

At the conclusion of the conference, one of its organizers asked me: What is your opinion of this "glasnost"?

I responded: "Glasnost" is inseparable from "perestroika"; as long as openness is not followed by a serious restructuring process, talk will continue to be a sort of Sudanese gabfest.

Earth Stations Linked With INTELSAT To Be Established

55004522a Muscat AL-WATAN in Arabic 11 Apr 89 p 4

[Article by Mu'min Khalifah]

[Text] Work will soon begin on the construction of a ground station to be linked with the international satellite, INTELSAT. When the new station is completed, the sultanate will have three ground stations linked with Arab and international satellites, in addition to eight ground stations for local communications.

This was stated by His Excellency Nur Ibn-Muhammad Ibn-'Abd-al-Rahman, the Executive Chairman of the General Organization for Radio and Wire Communications.

His excellency stated that several days ago His Excellency Ahmad Ibn-Suwaydan al-Baluchi, the minister of posts, telegraphs and telephones, signed an agreement with the France cables and radio company to provide consulting services related to the construction of this station.

His excellency indicated that this station will be linked to the international satellite, INTELSAT, over the Atlantic Ocean, thereby reducing communications costs due to the absence of an intermediary, which is currently used.

His excellency said, "We have found that, due to an increase in communications via INTELSAT, construction of this station has now become necessary in order for the organization to realize greater savings."

He stated that the sultanate currently has a ground station linked to the Arab satellite ARABSAT; another station linked with a satellite over the Indian Ocean; and a total of eight ground stations in the sultanate for local communication.

His excellency added that the internal network for satellite communications has facilitated bringing remote and outlying areas in the sultanate closer together, thereby helping citizens to communicate with each other quickly and easily, and enabling commercial and administrative centers to administer their activities effectively.

This system has also played an important role in spreading knowledge, science, and entertainment, especially in rural societies, through television and radio programs.

His excellency stated that there are two stations, one in Wadi al-'Amirat in Muscat, and one in al-Ma'murah in Salalah, which have been equipped for television transmission and reception, as well as for wire and radio communications. The two stations in Khasab and Masirah are used for wire and radio communications and television reception, whereas each of the stations at Sahm, Nazwa, Sur and al-Buraymi are for television reception alone.

His excellency stated, "In view of the fact that we are using the satellite system, we have joined organizations which administer and operate the satellite system, such as INTELSAT, ARABSAT, (INMARSAT) and others. We participate in planning and development activities related to the operational system of these organizations, and we are making every effort to implement operation plans according to a set program, in our capacity as direct users of this system."

ARABSAT Meeting Decisions Outlined

55004522b Muscat AL-WATAN in Arabic 2 Apr 89 p 3

[Article by Hilal Ibn-Salim al-Hana'i and Talib Ibn-Hilal al-Mu'ammari]

[Excerpts] [Passage omitted]

Concluding ceremonies of the proceedings of the session began after participants had made numerous decisions and recommendations. Then, His Excellency Ahmad Ibn-Suwaydan al-Baluchi, the minister of posts, telegraphs and telephone, and the chairman of the session, delivered a word of welcome to their excellencies, the chairmen of delegations of member-states in the Arab Organization for Satellite Communications.

Al-Baluchi's Address

He stated: "I extend to you all many thanks for the good effort which you expended in completing the agenda presented to the general meeting of the Arab Organization for Satellite Communications. Due to the spirit of friendship and brotherliness which pervaded the atmosphere of the discussions, you were able to complete the agenda of your general meeting in an atmosphere of deep understanding." [passage omitted]

His excellency added: "It is cause for happiness that the necklace of Arab countries which use the Arab satellites [sawatil] is now complete with the return of the Arab Republic of Egypt as a member in the organization. Another cause for happiness is the completion of ground stations in the countries whose stations have not yet begun operating." [passage omitted]

Decisions and Recommendations of the Session

The following is the content of the decisions and recommendations issued by the 12th session of the general meeting of the Arab Organization for Satellite Communications (ARABSAT):

Communications administrations in member states responsible for the ground sector—comprising the ground station and the ground link from the studio to the station to the Arab satellite network—were adjured to exempt television administrations or organizations in their countries from fees levied by them, or to reduce

such fees to promotional fees, if these administrations or organizations utilize ARABSAT satellites instead of foreign satellites to transmit their television programs.

The PDRY [People's Democratic Republic of Yemen] administration was granted a special discount on the satellite channel fee for local ARABSAT services which it decides to engage. This discount shall be 50 percent of the fee decided for the first year of use.

Also, the administrative council and the executive apparatus were tasked with monitoring issues pertaining to protecting the interests of the organization regarding the position of the orbit of its next satellites through international conferences held in this connection. In addition, the administrative council and the executive apparatus were tasked with energetically monitoring other affairs of the organization, which were mentioned in the report, in order to protect the interests and rights of the organization to the greatest extent possible.

Regarding the financial position of the organization, there was a decision on the need to marshal all the efforts of the organization's member-states and agencies to increase the organization's revenues and financing sources so that it can fulfill the needs of the next phase, and cover the costs of building its second generation of satellites. This will be done through the following ways and methods in combination:

- Adjuration of the administrations of the Libyan Arab Jamahiriyyah, the Democratic and Popular Republic of Algeria, and the Republic of Sudan to transfer their local communications traffic to the ARABSAT system as quickly as possible.
- Adjuration of the administrations that still have traffic on foreign carriers to quickly transfer such traffic to the Arab satellite network.
- Expeditious handling of the requests of friendly, non-Arab administrations to use the Arab satellite network, and deciding on such requests in a matter which encourages these administrations to do a brisk business with the Arab network. If, in this connection, a need arises for the routing of the traffic of those administrations via Arab administrations, the administrative council is empowered to decide on these requests, and to establish criteria and measures which it deems appropriate to achieve this goal in accord with the spirit of the organization's convention, and the directives of previous sessions of the general meeting.

The 12th session the ARABSAT general meeting approved the organization's final statement of account for 1988 according to the tables submitted by the administrative council and the certified auditor, and it also approved the organization's estimated budget for 1989.

In addition, a decision was made to void the decision made by the general meeting in its 2nd regular session (April 1979) to suspend the membership of the Arab

Republic of Egypt in ARABSAT. Henceforth, Egypt will enjoy all rights of membership in the organization. His excellency, the chairman of the session will inform the administrative council of the measures which must be adopted in order to apply this decision in practice as quickly as possible. Such measures include the routing of communications traffic between the member-states and Egypt through the Arab satellite network, albeit via ground linkages and the stations of member-states, until construction of the Egyptian station is completed.

Also, a ministerial committee headed by his excellency, the chairman of this session—whose members include their excellencies the ministers of the Kingdom of Saudi Arabia, the state of Kuwait, the Hashemite Kingdom of Jordan, the Moroccan Kingdom, the state of Bahrain, the Syrian Arab Republic and the Iraqi Republic—was formed in order to perform a substantive revision of the foundations underlying the organization's convention, with a view toward enabling the organization to finance its costs itself, especially the next generations of satellites, as would any organization or institution which operates in accordance with conventional commercial foundations regarding various matters. The committee will subsequently prepare a draft, alternate convention which reflects these foundations. It will submit the draft to an exceptional session of the general meeting to be examined and enacted within no more than six months from the date of the conclusion of the proceedings of this session. His excellency the chairman of the committee called for a meeting of the representatives of the ministers three months hence to formulate a draft convention, which will be presented to the ministerial committee of eight. In this connection, the chairman will see to it that these representatives are specialists and experts.

Regarding the plan to extend the life of the first generation of Arab satellites, and to plan the second generation of Arab satellites, the following was accomplished:

- Backing for the adoption of the technology for extending the lives of the first and second satellites.
- Authorization of the administrative council to contract the COMSAT general corporation to provide these extension services and other consulting services.
- Tasking of the administrative council and the executive apparatus to prevail upon the company that manufactured the Arab satellites (the French Aerospatiale Company) to change such equipment on the third satellite which is similar to equipment which broke down on the first and second satellites, at no additional cost to the organization in the light of the report made by ARABSAT's general director, which states that contacts were held with the aforementioned company for this purpose, and that the company displayed its willingness to agree to the foregoing.
- Adoption of the idea of launching the third Arab satellite—after the aforementioned changes have been made to support the current two satellites and the extension plan—with the understanding that the

administrative council and the executive apparatus will continue negotiating with such companies as deemed appropriate by the organization, which have submitted proposals to the organization regarding the launching or financing of the [third] satellite. The administrative council and the executive apparatus will then obtain the best proposal in terms of its financial, technical and scientific standpoints, and the method for financing it. It will present its final recommendation to the ministerial committee of eight, so that the latter may issue the appropriate decision.

It was agreed to renew the services of ARABSAT's general director, Engineer 'Abd-al-Qadir Ba'iri for a period of three years, starting from the completion date of his current service period.

It was also agreed to authorize the administrative council to change the qualifications and experience requirements which must be met by whoever holds the post of general director. This is to permit those with specialties in engineering, the sciences, administration, law, and economics to compete for this position, while clearly and precisely taking into account other requirements pertaining to the candidate's practical experience, and the determination of the nomination and selection procedures. In addition, it was agreed that his excellency the chairman of this session, the chairman of the administrative council, and the general director, shall coordinate with each other at the proper time to determine the date and place of the 13th regular session.

Support of the State of Palestine in the Field of Communications

The general meeting, at the conclusion of its 12th session in Muscat, affirmed its support for the Palestinian state in the field of communications. It adjured ARABSAT members to coordinate their efforts in the proceedings of the conference of authorized representatives to the international communications federation [conference] to be held in Nice France in May 1989, to support efforts to gain acceptance of the state of Palestine as a member of the federation. The general meeting saluted the Palestinian Arab people on the 13th commemoration of Land Day, in esteem for and in admiration and honor of its struggle and the continuation of its intifadah [uprising] in Palestine. It also allocated a sum, equal to one day's average revenues from the commercial operation of the Arab satellite network at the end of 1989, to be transferred to the intifadah fund in Tunisia.

PALESTINIAN AFFAIRS

Hamas Leader Yasin Profiled, Interviewed
44230116 Tel Aviv YEDI'OT AHARONOT
in Hebrew 23 May 89 p 32B

[Interview by Ron Ben-Yishai; city of Gaza; date not given]

[Text] For more than a year, General Security Services personnel have wanted to arrest Ahmad Yasin, but have restrained themselves, not wishing to transform the

disabled shaykh into a tortured martyr. However, recently their restraint reached its limit. Hamas [Islamic Resistance Movement] became a prime mover in the escalation of the violence, and not just in Gaza. Most of the recent acts of murder in the territories were carried out by people who take orders directly or indirectly from Shaykh Yasin. It was a Hamas member who killed the two elderly people in Jerusalem. Also, many locals suspected of collaboration with Israel were attacked by Islamic fundamentalists.

The imposition of a general curfew on the Gaza Strip last week by IDF [Israel Defense Forces] authorities was no coincidence. It was expected that the arrest of Shaykh Yasin, along with 250 of his followers, would agitate the strip. Preventive medicine was thus in order, inasmuch as it is easier to thwart disturbances when the strip is under curfew. Nonetheless, the arrests led to a wave of disturbances during the past week, which claimed 7 killed and more than 20 wounded.

What makes this sickly, wheelchair-bound man, who speaks with difficulty, one of the most important leaders of the intifadah [uprising]? It is likely that his internal conviction of the correctness of his course and his dominating personality have enabled him to succeed in attracting the support of about 40 percent of the residents of the strip. Moreover, he has succeeded in becoming the leader of observant Muslims in Judea and Samaria. Ahmad Yasin has the copyright on the concept of Hamas—a unified, large, Muslim bloc, which functions as a counterweight to the power of the PLO in the territories. He also oversees operations with the help of a team of aids who obey him unquestioningly.

Several months ago, Shaykh Yasin agreed to be interviewed in the humble cinder-block structure where he resides in the "Jurat al-Shams" Neighborhood in the southern part of the city of Gaza. When we entered, several bearded men dressed in galabias were conferring with him in hushed tones in the small courtyard enclosed by a wall. The shaykh spoke in a whisper as they leaned over his wheelchair, nodding their heads.

One of them asked a brief question. The shaykh reflected, then responded as he lifted his gaze toward the mosque minaret overlooking the small courtyard. One of his five or six small children drove the flies away from him. From time to time great trembling shook his lean, deformed body, and the child hastened to bring a tin cup into which the shaykh with a sigh discharged a large mass of phlegm and continued to talk. The others did not move a limb during the entire hour.

When he was 16, he fell while playing on the beach and broke his back. Since then, his condition has deteriorated to the point of total paralysis. In the meantime, he studied at 'Ayn Shams University in Cairo, and later returned as a teacher to the strip, immediately becoming a member of the local branch of the Muslim Brotherhood and one of its leaders.

It was difficult to connect the information on him with reality. It was simply impossible to believe that Ahmad Yasin (51) has served time in an Israeli prison for membership in and leadership of a hostile terrorist organization. Underneath his bed, a cache of about 40 weapons and explosives was discovered. In 1984, he was sentenced to 12 years in prison. However, the deal with Jibril to free terrorists resulted in his release after only 4 years, and he quickly returned to his characteristic ways. This time he was more careful, as indisputably demonstrated during my interview with him, in which none of his serpentine formulations could be used against him in court. Nonetheless, he conveyed a message which was impossible to misinterpret:

"Today we are weak. Tomorrow, we will be strong. This is in contradistinction to the Israelis. You are strong now, but you will become weak in the future, and then our time will come." He speaks with the smile of one who is apologetic for having to teach me the facts of life.

[YEDI'OT AHARONOT] Do you see a Palestinian state and an Israeli state coexisting in peace?

[Yasin] No, such a solution could only exist temporarily. Two such states would endure side by side for only a short time. Then the conflict would be renewed with greater intensity. The (Palestinian) people would rebel time after time. Palestine is a sacred place for Jews, Christians, and Muslims. Therefore, the solution is for members of these religions to live together in one state.

[YEDI'OT AHARONOT] Do you mean an Islamic state, in which Jews and Christians would be tolerated citizens?

[Yasin] I personally prefer that Islam predominate in this state—that it be an Islamic state. I would recommend to people that they accept Islam as the governing law in their new state. However, I would not force it upon them. If the majority refuses to accept the Shari'ah, I would accept that.

This liberal formulation is premised on the knowledge that a Palestinian-Muslim state, if it is established, would obviously have a large Muslim majority, and this majority would obviously decide to accept the Shari'ah as the law of the state.

[YEDI'OT AHARONOT] Do you support a jihad as a way to realize your aspirations?

[Yasin] If people cannot obtain their rights through peaceful and nonviolent means, what other option is available to them?

To make a long story short, the shaykh often responded to questions with a question. He agreed to grant me an interview, and was thankful for the opportunity because it is important to him to convey his message to the Israeli

public and to soften its position toward Hamas. "I do not want them to think that we are religious fanatics and terrorists," he said with an embarrassed smile.

It was perhaps possible to be convinced, but his actions and those of his followers do not correspond to the tone which he has taken in the media. Hamas is actually an offshoot of the Muslim Brotherhood organization which operated in the strip before the 6-Day War. Through intensive social and educational activity, this organization seized control of poor neighborhoods and refugee camps. Nevertheless, its members refrained from violence, as opposed to Hamas members who do not abhor violence.

Hamas continues to view a state based on pristine Islam as its main objective, before liberation from "the yoke of Israeli occupation." However, in order not to lose support and to accommodate itself to the intifadah, it is competing with the Islamic Jihad and Fatah [Palestine Liberation Movement] in violent attacks. Several of the more loathsome murders, whose perpetrators have not been apprehended, are attributed to Hamas by the security arms.

Hamas was established in 1987, before the intifadah. However, the intifadah gave it momentum. From an organizational standpoint, it is similar to the PLO. It has a political arm, the Jam'at al-Islami [Islamic Group], which in the past obtained legal status from the Israeli authorities, and a military arm, the Mujahadin al-Filastin [Palestinian Combatants]. It also has a security arm designated "al-Majid," which is nothing but the intelligence organization of Hamas. Its members have gathered information for attacks against local collaborators and Jews, including soldiers.

At the end of last year, newspaper headlines heralded the "imprisonment of the entire Hamas leadership in the territories." However, as a matter of fact, the General Security Services arrested members of only the second and third echelon at that time. All of them were arrested only after there was prima facie proof of the involvement of the shaykh and his deputy, Dr Mahmud al-Zahir, in giving directives for violent activity in the territories.

The wave of arrests is a harsh blow against Hamas. However, experience proves that this is not the end of the organization. It is possible to predict that the activity of Hamas will decline in the coming months. The organization will subsequently recover and intensify its activity again and again.

ALGERIA

Corruption in Housing Industry Discussed
45190091 Algiers *REVOLUTION AFRICAINE*
in French 26 May 89 pp 62-64

[Article by Al. Sedrati: "Where Has the Housing Money Gone?"; first paragraph is *REVOLUTION AFRICAINE* introduction]

[Text] Every patriotic executive (and the nation does not have a shortage of them), concerned with the country's

problems, is confronted with the thorny problem of housing. For the country's leaders, as for its citizens, the housing issue takes on the appearance of an unsolvable geometric problem. Yet, nothing is impossible, nor is one is obligated to stick with the impossible. Housing tops the list of priorities to be resolved.

For some, housing is vital and sets the stage for the harmonious development of the family unit; for others, the high demand for housing openly and publicly creates a niche for illicit gains, at the expense of the national economy. The trafficking of housing, in defiance of law, ethics, and national solidarity, constitutes a unique source of social inequalities, carrying the seed of latent revolution. This trade is practiced by person having contacts with shady civil servants.

The two previous Constitutions (1963 and 1976) had prescribed and recognized the right to housing for every citizen. For two decades, the State gobbled up vast sums of money, yet without absorbing or reducing the housing squeeze—or the crisis. A more judicious and imaginative policy could have allowed for the agreed-upon investments to be profitable and could have satisfied a rigorously planned demand, in such a way that planning would impose its laws rather than allowing demand to govern planning. Unfortunately, that was not the case. The high demand jostled everyone, and everyone attended to what seemed most urgent first, holding in disdain all the laws of economics, all the laws of the market place, and all the rules and laws of planning and management. No rules governed housing distribution criteria, nor were allocation controls in effect. Housing was assigned based on the applicant's looks and political standing. Housing was granted to those you knew and not to those who deserved it. Often, low-level clerks took the plunge and illegally sold housing units and land.

With the help of speculation and the diktat of personal relations, it was generally the least needy who benefited from the indulgent awarding of housing. These privileged potentates of trafficking rented this housing to foreigners, provided they pay in hard currencies. As for the common people, whom the housing programs were supposed to benefit most, they could always pile up ten to a room, in conditions where hygiene was frightening and promiscuity monstrously dangerous and unwholesome.

These speculators, who populated the cogwheels of the State, were quite ready to buy housing and land when the 1981 law was passed. What a windfall for them! They bought homes for token prices and resold them for astronomical sums. Even high government officials took to this criminal trade. From one crime to another, they turned to trading illicitly in building permits, to buying more building material than what was needed and then supplying the black market, bringing about deficit and inflation. That is why they very naturally came to the idea that the State was not longer in a position to provide housing for everyone, and for two reasons. On the one

hand, prices had soared (thanks to the laxity of corrupt managers); and on the other hand, the many nouveaux riches, wanting to launder their improperly acquired money, decided to demolish the fortress of the housing sector, until then unconquerable. They were presented to us as the only recourse. These "charitable souls" were going to obtain land freely, in order to make housing available at 2.75 million Algerian dinars for three rooms. It was certainly not for the skilled laborer from Rouiba, nor for an old civil servant going into retirement, that this housing was set aside, housing that was improperly called "luxury" housing, whereas it was barely good enough to be called slightly improved HLM [government-subsidized moderately priced housing].

For this category of citizens and for the majority of the population, was invented the scandalous phrase, housing pompously called "personalized," which was, in fact, housing stripped bare. Of course, no one took care to make building material, in quantity and in quality, available to the citizens. Instead of relieving the strain on the public treasury, the crisis was made worse, the deficit of building materials became more pronounced—"black market oblige"—and a drop in completed housing was brought about.

For the well-to-do and their henchmen, in order to keep jealousies quiet and broaden the circle of those infected with corruption, building cooperatives—which were cooperatives in name only and had to do with building in letter only—were created for their benefit. (Building was carried out contrary to all the logic of economics and against all the rules of the art.) To come full circle, a rural touch was given to the picture, by allocating 30,000 to 60,000 dinars in assistance to rural construction. This assistance, agreed upon by the State—a very costly euphemism for the public treasury—unable to solve the problems, became the point of dissension. Local authorities, always on the lookout for an irregularity, illicitly claimed the profits of this assistance rather than monitoring it. It was the reign of nepotism, undeserved privilege, and the springboard towards wealth.

In the face of this absurd situation, it became urgent to wonder if there could be a realignment between gobbled-up investments and the outcome of those investments. The weight of the debt borne by public funds was inversely proportional to the expected outcome. Waste was due to the acknowledged incompetence of most of the construction foremen, to the laxity of managers who were patriotic if need be and unavoidably corrupt, to the absence of financial and technical inspections, to a lack of monitoring, and to the poor quality of the preliminary studies and of the work carried out. Through this jungle of budget-devouring government bureaucrats, the crisis became more and more costly; it continued to grow, and with it, so did conflicts.

The housing crisis had begun to show its head during the 1970s. The cost of building was then about 750 dinars per square meter. At that time, housing was not a

priority. The political timetable was based on the foundations to be laid, to industrialize industry. There was an enormous shortage of skilled workers. Rural inhabitants left the country, looking for a job in the city, where they became squatters on the outskirts. Rapidly growing shanty towns had made the landscape ugly, and housing demands became worrisome, even very urgent.

"Competitive" firms were all state-owned; and their strategy was essentially made up of large construction projects, favoring an economic take-off and guaranteeing the country its economic independence and development. DNC got the majority of the contracts to build universities, ministry headquarters, airports in the south, ports (e.g., the port of Arzew), the Mosque of Constantine, the city of Abadla, the industrial park of Sidi-Moussa, etc.

SONATIBA built the Hotel Aurassi, the Club des Pins, the Skikda refinery, the electrical plant in Mostaganen, the grain elevators in Sig and Granem, the Skikda, Mosta, and Tizi-Ouzou bridges, etc. ECOTEC built the Cheraga olympic complex and the universities of Constantine and Annaba.

All these state-owned firms performed well and provided service of high professional quality. Their activities focused on the country's development, and housing was a secondary activity. They were comparable to the large European construction and public works firms; and, contrary to what was widely thought before they were restructured, their management was relatively balanced, and they completed, with SORECAL and SOREC SUD, 227,000 housing units in ten years (1967-1977), i.e., 22,700 per year—which is no mean feat, given the economic situation, forecasts, and priorities of the period.

Private-sector activity in the area of construction and public works was insignificant. The special programs of Tlemcen, Batna, and Tizi rang the bell for the rush on construction. A multitude of well-introduced parasites helped themselves to school equipment programs, programs for polyclinics, for maternity clinics, for day nurseries, for stadiums, post offices, and local roads. Meanwhile, state-owned firms were committed to large-scale operations; they neglected the small ones, because they were not adapted to this type of work and because they had only heavy material—which made their reconversion very difficult. Fallow land became an Eldorado for newly formed private firms, which usually were firms in name only. Thanks to the well-paid connivance of some people, there were apprentices, laborers, green grocers, shady dealers, grain merchants, corporals having left the army—all that high society, some with graft, some with a plumb line, some with a trowel and a wheelbarrow—who grabbed markets thought to be worth billions of centimes. These well-introduced adventurers were to receive a 15-percent advance to set up the worksite and a 30-percent advance for supplies. In order to live like nabobs, beyond the Mediterranean and

sometimes beyond the ocean—and with taxpayer and government money—they build colossal fortunes and acquired real estate, thereby participating in the inflation of the Algerian dinar. As for the implementation of programs entrusted to them, it had become the goose laying golden eggs. They were not going to kill it! On the contrary, they kept it artificially alive until it was depleted and bankruptcy had been declared. The deadlines were extended, postponed, renewed, etc. But there was never a question of imposing penalties for late work; much to the contrary, each revised deadline was an opportunity to revise costs upwards, to the detriment of the state treasury.

National firms had taken time to realize and understand the scope of the waste. By the time they had turned around, been reconverted, and adapted to market conditions, they were caught in the trap of advance loans, of the relentless cycle of flexible deadlines, and, instead of helping cut costs, they encouraged the explosion, without being able to stop or control it.

It was in these conditions, judged timely, that the Ministry of Housing was created in April 1977. The mission of this department was to foster a fair housing policy, to put in order the world of sharks who were threatening the very foundations of power. They created exacting but hardly efficient regulations, a budget-consuming administration that was not adapted to this dynamic industry, and an operations system with archaic resources, entrusted to lax, incompetent managers. The department suffered from three ills: the abstruse arbitrariness of a trusteeship, of disorganization due to organizational musical chairs following the infernal rotations of directorships, and of the instability of an upper management subject to nomadism.

Thus, the state firm had become a soul without a body, ready to give up the ghost at any moment. But it was stubbornly kept under perfusion, thanks to the printing of currency and to petroleum. The overdrafts and deficits of all companies in the industry, despite different financial and organizational restructuring, were enough to make you dizzy, and any conscientious and patriotic official should have taken the necessary action: clean up things through law enforcement and manage with honest and upright executives.

Everyone preferred the law of carrier currents. Public funds were ready for squandering and we witnessed the ruinous wave of imports, then the invasion of foreign companies. Then it was the kill. They began by importing huge amounts of cement.

That was in 1978 and the ministry had the wind in its sails. They dreamt of 100,000 housing units a year and it was at that moment that we caught ourselves thinking about what could be supplied from abroad. It was precisely at that time that the idea of corporate groups sprouted. That meant placing the national company in competition with a foreign company, to combine the two

while leaving each one free to be managed independently. It was not a joint venture, it was not participation, nor a joint corporation, nor a turn-key operation, nor technical cooperation (technological transfer being an outdated delusion!)—it was a new experiment, inspired by European corporate groups, adapted to the Algerian situation. To accomplish that, and in order for our companies not to appear handicapped, it was decided to furnish them with supplies. The bride did not come to the wedding emptyhanded; she had a rich dowry: the building program, equipment, and technical assistance as wedding presents. Brilliant, wasn't it? That was the time of large purchases of construction supplies and equipment for affiliated plants. That was the trend—every firm had a plaster factory (SONATIBA, SORECAL), floor tile factories (DNC, SONATIBA, ECOTEC...), woodshops (DNC, SONATIBA, ECOTEC, SOREC SUD), heavy prefabricated materials (DNC, SONATIBA, ECOTEC), and maintenance shops (DNC, SONATIBA). It was, likewise, a fortunate time for go-betweens, foreign partners, and our "costly" ten percent. Let us recall from memory a few juicy operations: Outil Nord, Husson, Chambout, Chamebel, Dragon, Komensa, CFEM... But that was only the tip of the iceberg. With the corporate groups, there were more than 2,400 firms from all continents standing in line to grab markets: Japanese, Brazilian, American, Canadian, French, German, English, Spanish, Italian, Belgian, Dutch, Portuguese. Meanwhile, so as to arrive at the meetings with studies in hand, we called upon Boffill, Kenzo Tang, Nemayer, Ravello, GERM, IBSE...not to mention the contribution of technical assistance. Algeria had become a Peru for all the world's adventurers who had neither a degree nor a profession. They unloaded anything on us at a high price, while national technicians were suspected of incompetence and unruliness. The rush for riches lasted until June 1979, and as the medley was discovered, all operations were suspended; but we did not reckon the foreign partners would have so much determination. If only our bureaucrats had had a sense of patriotism and nationalist reflexes, we would have been able to acquire, with nothing but our programs, the majority of all the European firms; they would have become Algerian firms, through complete or majority ownership. The building problem would have been solved and the State would have had an absolute deterrent weapon in the very heart of Europe. Remember that this was a time of unemployment, crisis in construction and public works, and all firms were ready to be sold for a song. With our order forms, one could buy from TYSEN, SCHMIDT, ELBA, IBSE-PASCAL, PITANCE, CTM, CGS, CFEM, SNCI, CHAMEBEL, INCNO, DRAGADOS, etc. Unfortunately for our country, decision-makers at all levels preferred to feed their bank accounts rather than allow capital gains for the country without the smallest investment and, by the same token, allow the low-cost high-quality building program to be carried out in a timely fashion. But that is the thought process of a utopian, a dreamer, or possibly an executive considered crazy.

The advent of President Chadli caught much of this rapacious breed off guard and perplexed, and all operations were frozen. They changed their stand, but without changing horses in midstream. We began, once again, to reheat the nationalist dish, and in order to spice it up, we added the eternal deficit of laborers and under-furnished companies to the gravy. And then, back to business as usual.

Using the expedient of training, mind-boggling contracts were signed, for the training of laborer-apprentices in Abadla, and then by the hundreds there came French, Belgian, and Canadian cooperants [Peace-Corps type instructors] to work in the job-training centers created by the government authority and by firms under government authority. The cost of these centers' equipment was far from negligible. And there we were—easygoing, carefree, and our wallets full—in business once again. The corrupt became cautious, for a while became observers, but did not remain inactive. What was to speed up things, open the floodgates, and allow all sorts of abuse was the Chlef earthquake in October 1980. The wounded country was grieving. In a surge of national solidarity, all Algeria was present in Chlef, including the corrupt.

The misfortune of some became the fortune of others. Vultures, carrion crows rushed to the gold mine. The private sector, shedding crocodile tears, in a surge of half-starved compassion, asked for and got an AGI [expansion unknown] and supplies. What a windfall! Our "keepers of the building trade," without encountering any resistance, were to become tycoons of the trenches. But their illicit wealth was not at all surprising; given the four million square meters of light prefabricated purchased abroad, there was nothing to make a fuss about. "The go-betweens had become partners" and quotas were being sold by tens of thousands of square meters in Brussels, London, Geneva, Madrid, Barcelona, Rome, Paris, Montreal, and Athens. Three million [dinars] were devoured, enough to buy from TYSSSEN, CFEM, SNCI, CUBERTAS, DRAGADOS, CGS, SERAMAH, etc. Just as behind every corrupt man there is another, so are cakes never eaten alone. The large foreign construction companies shouted the news from the housetops and, thanks to their governments and our insatiable ten percent, they were involved in a gigantic housing program. Forgotten were the failures of the Bremer Corporation and the Boom Corporation, forgotten was the national development policy; all those who dared talk about them were considered half-wits. The French showed up in force. Bouygues was given rights to equipment, a bundle of housing units, some railroad construction, and other operations. Dumez got 4,000 housing units in Medea and in the south. S.A.E. set up in Batna. Pitance had supreme control over Oum-El-Bouagui. CTM, CGS, and many other lesser known companies each got rights to a program, which bailed out the cash registers of failing foreign companies and worsened the financial situation of our national companies. We granted French, Spanish, English, Canadian, Danish, Italian, and other companies all that we refused to grant our national companies.

The foreign companies received 4,800 dinars per square meter and our state-owned companies were forced to get from 2,600 to 3,300 dinars per square meter. What topped off these operations were the deadlines granted the foreign companies. They all had deadlines of 36 to 48 months for programs involving 2,000 to 4,000 housing units. What a scandal! The foremen thought it a miracle when the completion deadlines were reached, and cut in half. We criticized the national companies, who, embarrassed, withdrew into their shell, under a heap of scrap metal and red tape. No one thought of making the foreign companies reimburse unwarranted payments. For it was, indeed, pure and simple theft. The Algerian Government was billed for man-hours and equipment-rental time for work never done, quite simply because our negotiators and operators were thought either not to be involved or to be too involved to be bribed. What shame for all national executives! What humiliation for Algeria! To this disgrace was added the scandal of group purchases, the companies that operated from the University of Bab-Ezzouar and that had received staggering advances in foreign currency for operations still in the planning stages in Oran and Algiers. Competent agencies have plenty of work on hand!

That is a secret for no one; rather, it is an open secret. All executives in the industry know who is who, who is behind whom, and why. The puppets are not always who you think. How much did the universities of Oran and Bab-Ezzouar cost us? The preliminary studies for the diplomatic quarter of Pins Maritimes, those of the 2,400 Dar-El-Beida housing units in Oran, the studies for the Algiers Airport, the cost of the hospitals, etc.—what waste! We poor executives get dizzy and lightheaded just hearing about these real estate scandals that sooner or later will surface. Then we will indeed have to pay the bill. And he who laughs last laughs best. Honesty always pays and truth always triumphs. But in the meanwhile, the crisis goes on and corruption finds new victims, not to mention new followers.

New Bonds Marketed as Anti-Inflationary Measure

45190097 Algiers *ALGERIE-ACTUALITE*
in French 25-31 May 89 pp 12-13

[Article by Ahmed Henni: "Borrowing: The Cost of Money", subtitled "...Since the money supply is inflexible, only a price policy could loosen up the market and make investments in financial accounts attractive"]

[Text] Our government's initiative to issue bonds to the public can be acclaimed not only for its boldness but also because of the hope it raises for a return to a more orthodox monetary management of our economy. It places the Algerian economy in a regulatory mode that is less physical, less technical, and more economics oriented. In our country issuing bonds to the public presupposes courage, of course, but it also presupposes that the means to attract investors are available. But among the ways to induce people to buy bonds, whether they be

government or corporate bonds, the interest rate is the main one. The bond initiative, then, marks the beginning of regulation by interest rates. What are the relevance and consequence of issuing bonds?

Borrowing and Inflation

Why should the government borrow? To pay expenditures, but not only that. When a government needs money, when it is unable to cover its expenditures through tax revenues or revenues from government-owned properties, it can:

1—Resort to loans from the central bank. After a certain number of days, these loans must be paid back to the central bank. When the government cannot or will not pay back, these loans from the central bank amount to a mere printing of money, without there being another side to the transaction. They contribute to the swelling of the money supply in circulation and bring about inflation through the demand side (the circulating revenues being higher than the value of the market supply of products).

In Algeria, the statutes of the central bank require the Treasury to pay back the loans. However, since passage of an April 1965 law, this requirement has been lifted. After that date the budget deficit can then be financed in part by printing money (which led Algeria to structural inflation through demand).

To avoid this inflationary financing, the government must theoretically only spend real resources. These real resources correspond to the existent wealth (savings) or wealth being produced. The government can then:

2—Increase taxes that are levied on real resources (or increase tax effectiveness by fighting against fraud).

However, such a solution is relevant only if the revenues being taxed are real revenues. Imagine that a company is financed by bank overdraft and by refinancing by the central bank through the printing of money. If the company pays a tax on that money, that tax is not a levying on wealth created by the company, but is only a flowback towards the Treasury of a part of the money issued.

A tax increase or growth in the tax yield (and the fight against fraud) make it possible not only to finance government expenditures but also to reduce disposable income for individual consumption. This makes it possible to fight against inflation through demand, unless the taxes themselves are finally redistributed in the form of individual income; that would only change the structure of demand and not its value.

3—Give up a part of government-owned assets. This would also allow the government to obtain money corresponding to something real (wealth belonging to the government) and to reduce circulating liquid assets,

which are part of demand. Once again, however, these liquid assets will not decrease if the government simply redistributes as individual income what it obtained through the sale of its assets.

4—Borrow. The government, in any case, is always borrowing. Indeed, the pace of these revenues is often yearly (generally speaking, taxes are paid once a year), whereas expenditures take place daily.

That is why, without having a budget deficit, the government resorts to temporary loans (loans from the central bank, special treasury bonds, etc.).

The government initiative has nothing to do with this type of borrowing (which is an ordinary practice in running the government treasury). It is not a question here of temporarily balancing the accounts, but of engaging in an in-depth activity against inflation. Such is the real goal of a medium- or long-term bond issue to be offered to the public.

This type of borrowing makes it possible for the government to bring in real resources (the public's savings), thereby reducing use of these savings for consumer spending, for the medium or short term. Liquid assets thus flow back to the governments coffers and the inflationist pressure of demand is reduced. But there once again, it is not appropriate for these monies to be redistributed as individual income, nor for them to originate as a monetary issue without corresponding real value. If we borrow on one side, but let new currency be printed on the other (financing different entities by overdraft), we run the risk of changing nothing. Issuing bonds to the public ought to be accompanied by a monetary mechanism that does not compensate for the withdrawal of liquid assets by an equal or larger issuing of liquid assets. That is why borrowing remains a bold act in our country, since it calls for measures ensuring greater monetary rigor.

Borrowing and Interest Rates

In order for an public bonds issue to be successful, the bonds must be attractive. Either it becomes possible to protect oneself against monetary erosion through capital benefits, or it becomes possible to have an attractive annual income. The first condition is met by indexing the value of the bond or of its interest rate (a rather uncommon practice in other countries); the second, by setting an attractive interest rate. Government bonds, due to the fact that they have repayment guarantees (a government never goes bankrupt), are generally attractive.

However, this security is not sufficient if the redemption premium is lower than the profits that can be had in other investments. The observations we can draw from the savings and insurance banks in Algeria demonstrate that despite the absolute security being offered, people do not put their money in savings banks. If fact, these

banks, according to our estimates, do not even bring in 10 percent of savings, despite the benefits they offer (notably housing loans). Some Algerian financiers think that this underperformance of the savings banks is due to the low interest rates they offer, rates that do not even make it possible to maintain the buying power of money. The solution would then be to raise their interest rates. This alluring and logical solution does not take into account two factors:

1—Raising interest rates offered to the public also raises the cost of money collected by the financial system. In turn the latter would have to pay a higher price for the loans it makes. If we raise rates, that would mean an advantage would be given to certain economic entities to the detriment of others; thus, it is now impossible to put state-owned and private businesses on an equal footing. If the latter can pay a higher price for loans, raising interest rates could, in the short term, compromise the financial situation of state-owned firms, which cannot act freely when it comes to pricing.

Since the interest rate is actually a cost (the cost of capital), a change in the interest rates can take place only if it is accompanied by a new price policy.

That is all the more essential since:

2—For interest rates to be attractive, once the bonds have become accepted and lost their novelty, they would have to become competitive with respect to other types of investments.

And what are today's different types of investments?

Income is first invested in consumption. Indeed, shortages encourage people to make purchases as a precautionary measure. Thus, instead of depositing my money in the National Savings and Insurance Bank [CNEP] or in other financial channels, I'd rather keep it as cash in order to have it immediately available when the opportunity to buy a rationed product arises. Let's not forget that very few places accept payment by check. So when an opportunity arises, it makes sense to have cash on hand. It's better to buy rationed products (when there are some) than to have money invested in a 5-percent account where it is difficult to get at (going to the bank, standing in line, etc.). The cost of investing money in financial channels is often greater than the benefits. So we would have to reduce the cost of getting to cash by improving the operations of tellers' windows in banks, at the People's Credit Fund [CCP], at the National Savings and Insurance Banks—and by increasing their number. Otherwise, even with attractive interest rates, many people will refrain from leaving their money in financial institutions, since it won't be immediately available to them when they have the opportunity to make a purchase. In addition, at least for state-owned firms, we ought to make it mandatory to accept checks over a certain amount (in some countries interest-bearing checking accounts are permitted). But we must especially

penalize holding onto liquid assets, by a better regulation of the market of goods and services. Since the physical offer is inflexible, only a price policy could free up the market and make deposits on account attractive.

Interest and Profit

At the present time, holding onto cash is more profitable than investing it. Imagine someone investing 1,000 dinars at 5 percent in the National Savings and Insurance Bank; that would earn him 50 dinars a year. Even at 10 percent, he would only get 100 dinars a year. Let's say that this individual can, once a year, buy a price-controlled, rationed item from the government sector and sell it for only twice the price (let's not bring in other types of "bizness" [sic]). From this one operation he would make a profit of 1,000, that is, a rate of 100 percent a year. What interest rate could compete with such an investment? Nowadays, transactions involving a number of goods are much more profitable than financial investments. At the present time, no interest rate attracts this type of speculative money. The only entities interested in normal interest rates (under 10 percent) would be government-owned firms and government-owned financial institutions, as well as independently wealthy persons (whose money is often in foreign currency investments that brought in an annual 30 percent these last few years), and employees who don't have the time to devote to the speculative joys of standing in line.

In this respect, an analysis of the CNEP's clients is rather significant, even though they are often attracted by the housing benefits offered by the CNEP. In 1985, the clientele was made up as follows:

| | |
|-----------------|------------|
| Retired persons | 27 percent |
| Employees | 22 percent |
| Students | 15 percent |
| Minors | 12 percent |
| Civil servants | 9 percent |
| Farmers | 4 percent |
| Shopkeepers | 4 percent |
| Miscellaneous | 9 percent |

Figures gathered by Abderrahmane SAKER

In 1985 one-half of this clientele was between 16 and 30 years old, that is, persons who can't be expected, at that age, to have accumulated much capital.

There is a great risk that only government institutions would be attracted to investments such as bonds. As long as profits are not standardized and open, as long as there are differences between official prices and black-market prices, opportunities for profit will be greater through the sale of goods than through financial investment. And finally, another question: the very existence of bond certificates implies that there are ways of turning them into cash when need be. In which market will the sale of

such bonds take place as the need arises? Over and above the unification of the goods and services market, bonds call for the creation of a financial instruments market. But the essential condition making it possible for interest rates to be a regulator resides in the unification of the marketplace, so that opportunities and rates of profit may be standardized. That calls for a bold price policy, but especially a decompartmentalization of spheres of profit, as we shall next try to demonstrate. The proposal is the following: as long as the rates of profit resulting from different areas of activity are disorganized and badly matched, there cannot be a coordination of those rates. Having no base rate for profits, the economy will not be able to respond to the allure of regulation through interest rates.

BAHRAIN

Indicators Show Island Economy Development

44040444 *Dubayy AL-BAYAN in Arabic 10 May 89 p 3*

[Article: "Bahraini Economy Continues to Grow, According to Indicators"]

[Text] The Bahraini economy has put behind it the difficulties of 1986. Gross Domestic Product (GDP) grew by about 2 percent in 1987 and has continued to grow at an accelerated rate through 1989.

The "Cooperation with the Arab World" bulletin said in a recent report that Bahrain was not greatly affected by the collapse of oil prices in 1986 because it primarily exports refined products and because it has an advanced diversified economy. Its historically strong banking system has reacted to new developments in world money markets and to economic stagnation in the Gulf region. The number of offshore banks has declined to 66 and continues to drop.

The King Fahd Causeway linking Bahrain with Saudi Arabia has had a positive economic impact. It may be said that there is a revival of Gulf tourism. Hotels are filled with guests and revenues are rising because of indirect taxes.

Bahraini goods are enjoying increased sales but they also face new competitors. Bahrain has operated on a 2-year general budget since 1987 but has adopted the 1-year term since 1988.

The 1987 budget assumed oil prices at \$18 a barrel. Later obliged to shrink the new budget by 490 million Bahraini dinars, the government still realized a deficit of 60 million to be covered by domestic borrowing.

The budget puts oil and gas income at 262 million Bahraini dinars, or about 51.4 percent of total revenues. Government services, at 62 million dinars, were the second highest source of estimated income, followed by taxes on foreign trade forecast at 30 million Bahraini dinars.

Expenditures were pegged at 365 [million dinars?], an increase of only one million dinars from 1987. Development allocations were reduced to 125 million Bahraini dinars for a decline of 71 million from the preceding budget.

Government subsidies focus on expanding the supply of water and electricity and on developing the airport, the port, communications, and health services.

The oil sector remains Bahrain's most important economic activity amounting to 85 percent of total export value. Sales of refined petroleum products account for 40 percent of oil revenues.

The country's oil reserves of some 140 million tons will dry up by the mid-nineties, assuming that production will remain at the current level of 43,000 bpd. The Sitra refinery is due for expansion at a cost of \$900 million. The facility, which uses Saudi crude, will also produce aviation fuel in the future.

Gas production increased to 694.7 million cubic feet per day in the first 8 months of 1987, compared with 615 million cubic feet per day in the preceding year. Plans are also underway to double the production capacity of the Banagas liquefaction facility.

It has been decided, despite aluminum market instability, to expand the annual capacity of Alba, the aluminum company of Bahrain, to 225,000 tons from the current 180,000 tons. Sixty five percent of aluminum output is currently being exported, mainly to GCC [Gulf Corporation Council] states. Plans are underway to develop and diversify aluminum production in order to increase domestic sales.

The Arab company for ship construction and repair is expected to realize a profit for the first time in its 10-year history. It is also due to be expanded.

The Bahraini government plans to support small and medium-sized industrial projects and increase from 200 to 400 the number of factories employing 200 workers or less. There are opportunities here for ventures established jointly with the private sector.

Bahraini exports continued to decline in 1987, dropping in value to \$2.1 billion from \$2.3 in the preceding year. Imports increased in the same period from \$2.4 billion to \$2.6 billion.

EGYPT

Ambassador in Washington Discusses U.S. Middle East Policy

45040409 *Cairo AKHIR SA'AH in Arabic 5 Jul 89 pp 12-13*

[Interview with Ambassador 'Abd-al-Ra'uf al-Ridi, Egypt's ambassador to the United States, by Hadiyah al-Shirbini: "AKHIR SA'AH's Interview with Ambassador 'Abd-al-Ra'uf al-Ridi in Washington: 'America Appreciates Economic Reform in Egypt; Positive Indicators by the Bush Administration on the Middle East Problem';" in Washington; date not specified]

[Text] Significant and positive developments regarding the peace process as well as support for Arab cooperation and joint Arab action have taken place during the past 6 months in the Middle East area. These developments started with a change in the PLO's position toward the peace process. This was followed by the onset of dialogue between Americans and Palestinians and by the Bush administration's interest in taking steps in favor of the Palestinian cause. But it was Egypt's return to the Arab League and the rise of many cooperative and economic groupings to confront international economic challenges that constituted the most important events of the hour in the field of joint Arab action. The interview with Ambassador 'Abd-al-Ra'uf al-Ridi, Egypt's ambassador in Washington, dealt with these developments and changes. The interview also dealt with proposals which have been set forth to find a solution to the Palestinian problem, especially Shamir's proposal on holding elections in the occupied land. Shamir's proposal is supported by the American administration which considers the elections a preliminary step to a final settlement. The ambassador said, "I do not expect any interruption in U.S. aid to Egypt." The Egyptian ambassador said that the United States appreciated Egypt's economic reform.

At the outset of the interview I asked Ambassador al-Ridi about the positive results of President Husni Mubarak's visit to the U.S. capital last April. I asked him specifically about the effect that President Mubarak's visit had on the U.S. position on the Middle East question.

[Al-Ridi] President Husni Mubarak's visit to the U.S. capital last April was the first visit by a foreign head of state to Washington. In other words, President Mubarak was the first official Arab guest to be received by President George Bush after Mr Bush became the U.S. president. We noticed that President Mubarak received a warm welcome from the U.S. president. President Bush went out of his way to be friendly and to make the Egyptian president feel welcome. President Bush took the opportunity presented by that visit to articulate the main principles which govern the U.S. position in the peace process in the Middle East. In statements he made at the White House after his meeting with President Mubarak, President Bush affirmed the importance of ending the Israeli occupation of the West Bank, the Gaza Strip, and all the occupied lands. He affirmed the importance of applying Security Council Resolutions 242 and 338 and other resolutions to that effect. These statements, which have become the foundation of the U.S. position which is being formulated by the Bush administration, were reiterated during the Washington visits of Middle East leaders, especially King Husayn, the king of Jordan, and Yitzhak Shamir, the prime minister of Israel. These Middle East leaders visited Washington after President Mubarak's visit to that city.

A Step on the Road to a Solution

[AKHIR SA'AH] During his recent visit to Washington, Yitzhak Shamir, Israel's prime minister, set forth a proposal that dealt with Israel's wish to hold Palestinian

elections in the occupied lands. Since then, the government of Israel has not explained the details of that proposal as it was asked to do. Do you think that holding such elections could have its advantages, particularly since the U.S. administration supports this proposal?

[Al-Ridi] It is my point of view that Palestinian elections must be held in the context of a movement toward peace whose aim is to end the Israeli occupation and achieve a peaceful solution to the Palestinian problem.

Elections in and of themselves would be good and acceptable. The elections process is a democratic process. What is required here, however, is a framework in which these elections would be held, and that framework would ultimately lead to a solution to the problem. These elections are to be based on the conviction that they constitute a step on the road to a solution to the problem.

[AKHIR SA'AH] Palestinians are not objecting to the principle of holding elections, but they think that certain specifications have to be met before these elections can be truthful and free and yield positive results. What is the U.S. position on Palestinian demands in that regard?

[Al-Ridi] Palestinians are asking questions about Shamir's elections proposal, and the Americans are relaying these questions to the Israelis to find out what the answers are. This means that since the Americans started their dialogue with the PLO, they have been communicating with both parties, the Palestinians and the Israelis, for the purpose of reconciling the parties' points of view on the subject of the elections and on other matters related to the peace process.

Positive Indicators by the Bush Administration

[AKHIR SA'AH] In statements he made in front of the U.S. Congress, U.S. Secretary of State James Baker affirmed that Washington was putting emphasis on Shamir's elections proposal. Mr. Baker said that at the present time there was no need to rush into holding an international conference for peace in the Middle East. What is Egypt's official position on that approach?

[Al-Ridi] Egypt's official position is based on the importance of convening an international conference for peace because such a conference is the framework that has been accepted and agreed to by the members of the international community. Nevertheless, we remain open-minded as far as any other suggestions are concerned.

[AKHIR SA'AH] How does Egypt's ambassador in Washington evaluate the positions of the Bush administration on the Middle East? Are these positions clearer and more positive than those of the previous American administration?

[Al-Ridi] The positions which have been declared by the present U.S. administration on the Middle East question have been characterized by clarity. The Bush administration believes that Israel's occupation of the West Bank and the Gaza Strip must be brought to an end. This position was made even clearer after U.S. Secretary of State James Baker declared it in front of an AIPAC [American Israel Public Affairs] meeting. Mr Baker indicated that Israel had to give up its dream of a greater Israel.

The present U.S. administration is clearly opposed also to building settlements on the occupied territory. Statements made by the U.S. administration and positions taken by it on Jerusalem have been positive.

In addition, the U.S. administration has alluded to the possibility that dialogue between Israel and the PLO could take place. The U.S. administration is also continuing its dialogue with the PLO, and it is trying to make that dialogue more meaningful despite all the pressures which are being applied to stop this dialogue. All these U.S. positions show that under the Bush administration the indicators of the U.S. position on Middle East questions, but specifically on the Palestinian question, are positive.

U.S. Criticizes Israel's Practices

[AKHIR SA'AH] Baker's recent statements in front of an AIPAC meeting, calling upon Israel to give up its dreams and to be realistic, were welcomed by Palestinians and by Arab countries. However, the United States' recent use of its veto at the Security Council, blocking a Security Council resolution condemning Israeli practices in the occupied land, was baffling because it was not consistent with the Bush administration's declared, positive positions on the occupied lands.

[Al-Ridi] We have to take into account the political forces inside the United States. It is known that forces in the United States are applying pressure on the administration, which, on the other hand, wants to preserve its access to the Israeli government. The U.S. administration does not want to get to a point where it finds itself unable to apply pressure on the Israeli government regarding pending questions. Accordingly, when Washington has to vote on a particular UN resolution, it takes these matters into consideration. The U.S. vote on Security Council resolutions is controlled by several factors. Nevertheless, the U.S. government did express its displeasure recently to the Israelis, telling them that it was unhappy about the escalation of oppressive actions in the occupied lands.

The Report on Human Rights, which was issued by the U.S. State Department this year, criticized Israeli practices in the occupied lands. This means that progress has been made on the U.S. position in this regard. And yet, we cannot say that the U.S. position is identical to the Arab position.

Egypt's Return: a New Stage

[AKHIR SA'AH] The recent Arab summit in Casablanca was the summit meeting at which Egypt returned to the Arab League. It was the summit meeting at which Arab reconciliation was achieved. In your judgment, will Egypt's return to the Arab League and to its role in that league have any positive effects on Middle East questions?

[Al-Ridi] Egypt's return to the Arab League marks the onset of a new stage that will create new possibilities in the relationship between the Arab world as a whole and the United States.

During the past 40 years, that is, for almost half a century, the problem with the Palestinian question lay within the scope of Arab-American relations, with the Arab world as a whole holding a view which differed from that held by the United States. However, now that the Arab Summit resolutions include clear, specific, unquestionable, and unambiguous directions about the peace process, and now that peaceful action has been established on the basis of Resolution 242 and on the basis of support for the Palestinian peace initiative, we can say that now there is common ground for action and for Arab-American cooperation to achieve peace.

The common ground that exists between the Arabs' positions and U.S. positions provides for the first time an opportunity for Arabs and Americans to work together for a solution to the problem and to achieve peace. We would thus remove an obstacle which had stood in the way of a more comprehensive and a more universal cooperation between Arabs and Americans.

Washington, Moscow Positions Getting Closer

[AKHIR SA'AH] U.S. and Soviet experts met recently in Washington to talk about Middle East questions. Are American and Soviet positions on the Middle East, and particularly on the Palestinian question, getting closer, or are the two countries' positions still far apart?

[Al-Ridi] It must be noted that a major change has taken place in relations between Washington and Moscow, the two superpowers. Thinkers, intellectuals, and politicians in the Soviet Union and in the United States are talking not only about ending the cold war, but also about working together. They are talking about alliances and other such matters.

Now we see changes inside the Soviet Union, and we see changes in relations between the socialist bloc countries. The United States and western countries are showing interest in those changes and encouraging them.

We also see Soviets and Americans working together to solve international problems. That is why there is a radical difference between the kind of relationship that exists now and that which existed in the past. This

change in the relationship between Soviets and Americans is reflected accordingly on all regional problems, including the Palestinian problem.

We see, for example, that the Soviet Union's position on Lebanon is getting closer to the U.S. position. After Baker's meeting with Schevardnadze in Moscow a joint communique was issued on the question of Lebanon. When Soviet and American experts met recently in Washington, the two countries' positions had gotten closer. We must foster this trend and utilize it in favor of the Palestinian question and the question of peace in the Middle East.

[AKHIR SA'AH] Does James Baker, the U.S. Secretary of State, intend to visit the Middle East area in the near future to push the peace process and to resume consultations with the area's leaders?

[Al-Ridi] James Baker, the U.S. secretary of state, does not wish to visit the area unless a successful outcome will be the result of such a visit. Baker is a man who takes great pains to ensure that the steps he takes will be successful. He does not want to take any step that does not succeed.

Associations and Joint Arab Action

[AKHIR SA'AH] A number of cooperative and economic associations have been set up in the Arab area to confront worldwide economic challenges. One of these associations, the Arab Cooperation Council, has been set up to include Egypt, Jordan, Iraq, and North Yemen. Does the possibility exist for greater cooperation between these associations?

[Al-Ridi] I am optimistic about the future of Arab action. We now have experience; we have a successful outlook; and we are willing to work within the parameters of what Arabs in general agree about. We now have a sense that the Arab world is being called upon to set up frameworks for joint action to confront major challenges and regional associations.

There is no doubt that the spirit of the Arab Summit Conference in Casablanca and the first summit meeting for the heads of the Arab Cooperation Council [ACC] which followed in Alexandria inspire optimism.

We see the secretary of the ACC traveling to visit other countries. He is visiting members of the GCC [Gulf Cooperation Council] and countries that are members of the Maghreb Federation. This means that under the framework of the Arab League no conflict exists between these Arab associations. In fact, it means that integration between these associations is possible. Such associations can be found within the European community. The countries of the north have one, and so on and so forth. [There is nothing wrong] with setting up associations within a larger association or community for the purpose of

enhancing the coordination between these countries, as long as everyone operates in the same orbit and works for the same objective: to serve joint Arab action.

U.S. Aid to Egypt

[AKHIR SA'AH] At the end of the interview with Ambassador 'Abd-al-Ra'uf al-Ridi I asked several important questions about what is being said regarding the possibility that U.S. aid to Egypt may be stopped if Egypt is unable to make its debt payments after July. Egypt will be unable to make those payments if it cannot reach an agreement with the IMF during the present period to reschedule its debts. U.S. law requires the United States to stop its aid to countries that cannot make payments on their debts. What will become the fate of that problem? What will be the fate of the \$230 million in cash, which the U.S. administration has frozen and refuses to turn over to Egypt?

[Al-Ridi] I do not believe that U.S. aid to Egypt will be cut or that the U.S. administration will take steps to cut that aid. Also, talks between Egypt and the IMF are going well.

With regard to the problem of the \$230 million which have been frozen, a solution to that problem is on the way.

In general, the U.S. administration appreciates the method which Egypt has been using in its economic reform plan. I would like to make it clear that what we do is done in Egypt's interests; it is not done to satisfy anyone else. Our steps on this course are inspired by Egypt's national interests and by our conviction that what we do serves the interests of correcting the course of Egypt's economy.

Report Compares Israeli, Egyptian Benefits from Sinai

45040392 Cairo AL-DIFA' in Arabic Jun 89 pp 87-89

[Article by Lt Col Usamah Hamid al-Kishki: "What Israel Got Out of Sinai: A Statistical Report"]

[Text] Israel's occupation of Sinai and the protraction of the state of war not only kept Sinai's resources out of Egypt's reach, but also in effect paralyzed the economy of other areas which were not occupied. Economic benefits from those areas were thus reduced to almost nil. The Suez Canal remained closed until it was reopened on 5 June 1975; cities on the canal had almost no economic activity to speak of; and economic returns from the Red Sea area were much less than they had been. These economic returns were not compatible with the capabilities and resources which are available in that area.

Actually, the loss which resulted from Israel's occupation of areas in Sinai containing oil resources was manifested not only in what Israel gained from these resources, but it was also manifested for several years following the occupation in an imbalance in the rates of oil production increases. This imbalance was caused by this occupation.

At any rate, economic benefits for all these areas were realized as a result of the glorious victories of October. These economic benefits affected agriculture, animal resources, fish resources, oil, mineral resources, tourism, and other activities in those areas. In addition, other political, strategic, and social benefits were also achieved.

For example, cities on the canal and cities in Sinai and on the Red Sea took in approximately 1.597 million persons. That is equal to 3.34 percent of the country's population. These cities can take in many times more that number of people, thereby reducing the burden born by other governorates. That would represent a social and national gain for Egypt. The area occupied by Sinai and by cities on the canal and on the Red Sea is 283,752 square km. This is approximately 28 percent of the total area of Egypt. Sinai alone occupies 61,000 square km or approximately 6 percent of the total area of Egypt.

Cities on the canal and cities in Sinai took in a labor force which is estimated to consist of approximately 406,207 workers. That represents a social as well as an economic gain for Egyptian society.

This report will discuss the benefits which Israel got from Sinai before the 1973 October War and the damages which befell Egypt as a result of Israel's occupation of Sinai. This report will then show the economic gain realized by various sectors from the 1973 October War and the relative importance of each sector.

1. Relative Economic Value of Various Resources in Sinai

The relative economic value of Sinai's resources is worth pointing out at the outset. This economic value is shown in the following table, which shows what Israel was getting out of its occupation of Sinai.

Table 1: Returns to Israel

| Number | Activity | Gain, Millions of Pounds | Percentage |
|--------|----------------------------------|--------------------------|------------|
| 1 | Agriculture | 80 | 2 |
| 2 | Industry, Oil, Mineral Resources | 2,000 | 85 |
| 3 | Tourism | 320 | 12 |
| | Total | 2,400 | 100 |

This table shows that the return from oil and from mineral resources is estimated to make up about 2 billion pounds of total returns. Industrial activity in Sinai is limited and returns from industry are inconsequential. It is estimated that this return makes up 85 percent of total returns. Returns from agriculture and tourism in Sinai represent 15 percent of total returns and approximately 17 percent of oil returns.

2. Returns to Israel From Sinai, June 1967 to November 1975

What Israel received during that period represents the oil produced from Sinai during the occupation period. It is estimated that what Israel gained from tourism and agriculture in Sinai represents approximately 17 percent of what Israel gained from Sinai's oil. This is according to the table which shows the relative economic value of Sinai's resources. The following table shows total returns received by Israel during that period.

Table 2: Total Returns to Israel

| Activity | Returns, Million Egyptian Pounds | |
|------------------------|----------------------------------|---------------|
| | Actual Value | Current Value |
| Oil, Mineral Resources | 378 | 1,200 |
| Tourism, Agriculture | 64 | 205 |
| Total | 442 | 1,405 |

3. Returns Lost to Egypt, June 1967 Until Return of Sinai to Country, 1982:

Based on the data available on the rates of production from Sinai's oil resources before and after Israel's occupation, scientific methods can be used to predict Egypt's losses during that period. Using these methods makes it evident that Egypt's loss as a result of Israel's occupation of Sinai is as follows:

Table 3: Losses to Egypt

| Activity | Return, Million Egyptian Pounds | |
|------------------------|---------------------------------|---------------|
| | Actual Value | Current Value |
| Oil, Mineral Resources | 1,010 | 2,914 |
| Tourism, Agriculture | 170 | 500 |
| Total | 1,180 | 3,414 |

4. Total Returns From Sinai Peninsula and Governorates of Canal Area and Red Sea

Table 4: Total Economic Returns

| Number | Item | Return, Million Pounds |
|--------|----------------------------------|------------------------|
| 1 | Agriculture | 328 |
| 2 | Industry, Oil, Mineral Resources | 6,602 |
| 3 | Tourism | 461 |
| 4 | Transportation, Communication | 22 |
| 5 | Suez Canal Authority | 2,758 |
| | Total | 10,171 |

The table shows that the total economic return for the area of the study is approximately 10.2 billion pounds. Figure 3 [as published] shows the relative importance of the various sectors.

5. Returns From Agricultural Sector in 1987

Table 5: Returns from Agricultural Sector

| Number | Governorates | Plant Production | Animal Production | Fish Resources | Agricultural Production Requirements | Total Return |
|--------|----------------|------------------|-------------------|----------------|--------------------------------------|--------------|
| 1 | Port Said | ... | ... | 3,089.6 | 420 | 2,669.6 |
| 2 | Ismailia | 165,556.2 | 64,143 | 3,246.8 | 33,933 | 198,013 |
| 3 | Suez | 11,691.6 | 1,283 | 9,388 | 2,364 | 19,998.6 |
| 4 | Northern Sinai | 47,909.32 | 25,289.6 | 3,374.4 | ... | 76,573.32 |
| 5 | Southern Sinai | 1,085.8 | 1,056 | 671.7 | ... | 2,813.5 |
| 6 | Red Sea | ... | 2,674.8 | 25,716.4 | ... | 28,391.2 |
| | Total | 22,642.92 | 93,446.4 | 45,486.9 | 36,717 | 328,459.22 |

The table shows that the total return from agriculture is about 328 million pounds. Figure 3 [as published] shows the relative importance of each agricultural production

activity, but Figure 4 [as published] shows the relative importance of the governorates which were studied with regard to the return from agriculture.

Table 6: Returns from Industrial, Investment, Oil, Mineral Resources Sectors

| Number | Governorates | Industry | Investment | Oil, Natural Gas | Mineral Resources | Quarry Products | Total Return |
|--------|----------------|-----------|------------|------------------|-------------------|-----------------|--------------|
| 1 | Port Said | 13,693.12 | 76,400 | ... | ... | 2,375.5 | 92,468.6 |
| 2 | Ismailia | 54,678 | ... | ... | ... | ... | 54,678 |
| 3 | Suez | 51,354.3 | 20,318 | ... | ... | 643 | 72,315.3 |
| 4 | Southern Sinai | ... | ... | 1,996.58 | 1,684 | ... | 1,998,042 |
| 5 | Red Sea | 1,700 | ... | 4,334,322.8 | ... | 48,014.4 | 384,037.2 |
| 6 | Total | 121,425.4 | 96,718 | 6,330,680.8 | 1,684 | 51,032.9 | 6,601,541.1 |

The table shows that the total return from this sector was approximately 6.6 billion pounds. Whereas Figure 5 shows the relative importance of each activity in that sector, Figure 6 shows the relative importance of each governorate according to returns from industry and oil in that governorate.

Figure 5 [not included]: The Relative Importance of Each Activity in the Industrial Sector

Figure 6 [not included]: The Relative Importance of Each Governorate in Relation to the Total Return for the Area in the Sector of Industry and Oil

7. Return From Tourism Sector

The return from the tourism sector comes from three principal sources shown in the following table:

Table 7: Returns from Tourism Sector

| Source | Value in Million Pounds |
|--------------------------------|-------------------------|
| Spending by tourists | 196 |
| Bank Transfers | 165 |
| Port fees, airport fees, visas | 100 |
| Total | 461 |

The table shows that the total return from the tourism sector is approximately 461 million pounds. Figure 7 shows the relative importance of the various sources of income from tourism.

Figure 7 [not included]: The Relative Importance of the Various Sources of Income from Tourism

8. Returns From Transportation and Communications Sector

The following table shows the return from postal and telecommunications services:

Table 8: Returns from Telecommunications

| Activity | Value in Thousand Pounds |
|--------------------------|--------------------------|
| Postal Services | 20,000 |
| Telephone communications | 2,000 |
| Total | 22,000 |

Table 5 shows that the total return was approximately 22 million pounds.

9. Returns From Suez Canal Authority

The following table shows the return from canal crossing fees, from subsidiary companies, and from joint-stock companies:

Table 9: Returns from Suez Canal Authority

| Activity | Value in Thousand Pounds |
|--------------------------------------|-----------------------------|
| Canal Crossing Fees | 2,731,700 |
| Net profit for subsidiary companies | 24,170 |
| Net profit for joint-stock companies | 1,760 |
| Total | 2,757,630 |

The table shows that total returns from the Suez Canal Authority and from its subsidiaries and joint stock companies amounted to about 2.8 billion pounds. Most of these returns came from canal crossing fees.

Conclusion:

The 1973 October War had economic consequences, and it also had other political, strategic, and social benefits. What was considered a loss for Egypt resulting from the occupation came to represent a benefit and a real gain.

It has been noticed that in 1987 returns from the Suez Canal and from oil represented 89 percent of total economic returns from Sinai and from the canal areas. These total returns amounted to approximately 10.2 billion pounds.

At any rate, returns from the various sectors do not represent the maximum returns that are possible. The area is rich in many varied resources which have not yet been put to the best possible use. For example, the area of cultivated land in northern Sinai represents 2.5 percent of the total area which can be cultivated. In the area of industry and mineral resources there are numerous resources like coal, marble, and raw materials for construction which have not yet been utilized. In tourism, there are many areas for tourists, and there are areas for historical and religious antiquities which have not been utilized adequately as tourist attractions.

Finally, the victories scored by the armed forces and the accomplishments achieved by Egyptian negotiators brought back to the motherland a part of the country that is dear to it. They brought back a part of the country that is rich in resources and possibilities. All that we have to do is make efficient use of these resources.

Money Market Authority President Discusses New Measures

45040393 London AL-HAWADITH in Arabic
16 Jun 89 p 48

[Interview with Dr Muhammad Hasan Faj-al-Nur, Money Market Authority president, by Mahmud Salim: "Money Market Authority President Tells AL-HAWADITH, 'New Measures To Stimulate Market Activity'"; in Cairo; date of interview not specified; first eight paragraphs are AL-HAWADITH introduction]

[Text] The impact on the Egyptian scene of the crisis of investment companies in Egypt has been clear since the onset of that crisis.

This crisis, whose aftereffects have not yet been brought to an end, was tantamount to a warning that was being issued to officials of the money market in Egypt. It was a crisis which set forth several questions and put them to officials. The least of these questions are:

- What can be done to fill the vacuum created by these companies?
- How can the dangers of what happened be avoided in the future?
- What will the money market in Egypt be like in the future?

These questions were the focal point of an interview with Dr Muhammad Hasan Faj-al-Nur, president of the Public Money Market Authority. Dr Faj-al-Nur told AL-HAWADITH that in the sixties Egypt had only about 30 companies. During that period, trading in stocks and bonds on the stock market declined. Years later, the state changed its policy and committed itself to a policy of economic liberalization. "Let me say here that the investment law, Law No 43, is a new law, but the problem lies in the fact that the market was not yet prepared to bear the consequences of economic liberalization. It makes no sense that the tools and institutions which were used to run a closed economy would also be used to liberalize the economy. Every system has its own methods and institutions."

Faj-al-Nur added, "The investment law was amended in 1977. Before this law was amended, Egyptian investors did not receive the same benefits which were available to Arab and foreign investors. That was an unusual situation. The Money Market Authority, therefore, assumed responsibility for correcting that situation: It declared that 'it was more appropriate for the law to protect an Egyptian' because Arab or foreign investors will not invest their funds in Egypt if Egyptians do not invest their funds in their own country.

"That is why 60 percent of the capital of investment projects can be traced to Egyptians."

Faj-al-Nur said that the Money Market Authority adopted the task of amending the law which governs companies, and Law No 159 for 1981 was issued. "Only 3 joint-stock companies were established during the 13-year period between 1961 and 1974, but 15 joint-stock companies were established during the past 3 years. Companies were being established every month. Of course, the difference between the two stages is a considerable one.

"We do recall that in 1960, before nationalization, the volume of trade on the stock market reached 58 million pounds a year. After nationalization the volume of trade on the market fell to approximately one-quarter of a million pounds. Stock market activity rose gradually, however, after the economic liberalization policy was adopted. It continued to rise gradually until 1980 when the volume of trade in Egypt's stock markets in Cairo and Alexandria reached 9.8 million pounds.

"But the matter did not stop there. The new law for companies played a major part in setting the financial situation in motion. Consequently, the volume of trade rose in the stock markets. There was a big surge in 1987, and the volume of trade reached 340 million pounds."

[AL-HAWADITH] Is that figure, 340 million pounds, an appropriate one? Is it a figure that would make it appropriate to say that Egypt has a market?

[Faj-al-Nur] Frankly, no, but we must bear in mind that in any money market in the world two kinds of securities are traded: instruments of ownership and instruments of credit. In other words, stocks and bonds.

This is what happens everywhere in the world. In Egypt, however, 99 percent of the volume of trade in the market is designated for stocks, not bonds. I have always said that Egypt's money market has no bonds.

Dr Faj-al-Nur offers a simple reason to explain his statement about the fact that Egypt's money market has no bonds. He says that the civil law set a maximum limit for the interest rate payable on bonds; that interest rate was not to exceed 7 percent a year. Consequently, bonds issued by any company and paying the maximum interest rate will find no buyers. People will put their money in banks where they can earn an interest rate that is higher than 7 percent.

That is why there are no bonds in the money market.

[AL-HAWADITH] And what is the solution? What can be done to stimulate Egypt's money market?

[Faj-al-Nur] The solution lies in a group of measures, the most important of which are variable return debenture bonds. A debenture bond is a nominal bond which can be traded on the stock exchange. Debenture bonds were introduced by the investment law, Law Number 146, which was issued in 1988. These instruments, which are

issued by joint-stock companies regardless of the legal system under which they operate, create a financial obligation for companies which issue them. In return for issuing these instruments, issuing companies receive funds they can use to plan their financing needs or to finance a specific activity or a particular operation. The bonds give their bearers the right to receive a variable return on their investment and equal rights against the company. The value of a bond is payable to the bondholder on the date which is determined by the conditions of the bond issue.

[AL-HAWADITH] What is the interest rate on these bonds?

[Faj-al-Nur] Studies are now underway to make the interest rate payable on these bonds high. It may even be as high as 20 percent.

[AL-HAWADITH] Which organizations are authorized to issue such debenture bonds?

[Faj-al-Nur] All joint-stock companies, except investment companies, have the right to issue such instruments. This means that such instruments may be issued by all joint-stock companies which are subject to Law No 159 for 1981. They may be issued by public sector companies and investment companies operating within the boundaries set by the Investment Law and by joint-stock companies which are subject to special laws.

[AL-HAWADITH] And who would be authorized to issue the instruments?

[Faj-al-Nur] There are specific conditions for that which state that debenture bonds may only be issued by a decision made by a company's general assembly. Such a decision is made on the basis of a proposal set forth by a company's board of directors, and that proposal must be accompanied by a report from the company's controller. The decision made by a company's general assembly must contain the terms under which these debenture bonds are to be issued.

Debenture bonds may be issued only after their issue is approved by the board of directors of the Money Market Authority. The bonds are made available to the public through a general subscription drive to be conducted in accordance with a subscription bulletin sanctioned by the Money Market Authority. The authority's board of directors may also approve a bond issue which is not to be made available through a general subscription drive if an agreement is reached that the entire bond issue is to be bought by banks, insurance companies, savings and loan institutions, or financial companies engaged, among other things, in marketing securities and guaranteeing coverage for them. Others who may be involved in such an agreement include companies which invest investors' funds, if these companies own no less than 25 percent of their capital.

[AL-HAWADITH] What about the face value of a debenture bond?

[Faj-al-Nur] The face value of a debenture bond in each issue must not be less than 10 pounds and not more than 1,000 pounds or the equivalent of either amount in foreign currency. Certificates of subscription may be issued for one bond, for five bonds, or for multiples thereof.

[AL-HAWADITH] What about the term for the debenture bond?

[Faj-al-Nur] The bill gave companies which issue debenture bonds the freedom to determine the term during which these bonds would mature. Companies may make that determination on the basis of the nature and duration of their financial need or the nature and duration of the activity or the process to be funded.

[AL-HAWADITH] In what currency are these bonds issued?

[Faj-al-Nur] The bill gave companies total freedom to issue these bonds in any currency they wish to use: Egyptian pounds or any other currency. Companies which issue such bonds have a major advantage here because the bill gave them the financial tool that would enable them to raise the funds they need in foreign as well as Egyptian currency.

The president of the Money Market Authority had this to say about shareholders' rights: "Shareholders have priority to subscribe to bond issues. Shareholders receive this priority indiscriminately, and no group of shareholders may be favored in this regard over another. The period during which shareholders may exercise their right to be the first to subscribe to a bond issue may not be less than 15 days, starting from the date subscription to these bonds becomes available."

Faj-al-Nur added, "An executive order determines the maximum amount of a bond issue. That amount is not to exceed a company's net assets, as determined by the company's controller in accordance with the last budget approved by the company. An exception to this rule may be made when the minister of the economy, after getting the Money Market Authority's approval, allows companies to issue bonds for an amount that exceeds the company's net assets."

[AL-HAWADITH] Are these bonds registered in the stock market?

[Faj-al-Nur] Debenture bonds must be presented for registration at all stock markets in Egypt within a maximum of 1 year from the date coverage for the entire issue is completed or from the date all bonds are sold. The bonds are then registered in the markets' price tables, even if the shares owned by the companies which issued the bonds are not registered in the stock market.

[AL-HAWADITH] Do you believe that issuing these bonds will help stimulate the money market in Egypt?

[Faj-al-Nur] Most certainly. In addition, issuing bonds is a significant step which is being taken to correct the economic course and change the operating mode for the money market in Egypt, where trading in bonds has been very limited. Trading in bonds helps curb inflation.

[Faj-al-Nur] Issuing these bonds will create a new area into which savings may be channeled. This will realize major reform in the course of the Egyptian economy.

He added that the authority was in the process of convening study groups dealing with the subject of these bonds. He said the authority was working on this with the Federation of Egyptian banks to define the role that banks which do business in Egypt would play in issuing debenture bonds.

[AL-HAWADITH] When will these bonds be issued?

[Faj-al-Nur] Very soon. Frankly, all officials are devoting much attention to the subject of securities. Studies are being conducted now on the interest rates which would be payable on these securities. In general, the Central Bank is engaged in conducting studies on that topic with the Money Market Authority. It is being suggested that the interest rate on these bonds could be as high as 20 percent. This high rate of interest would give people who have savings an incentive to purchase these bonds.

Investigator Reports on Phosphate Mine Activity

New Resolution on Abu-Tartur Mine

45040395 Cairo AL-MUSAWWAR in Arabic
9 Jun 89 pp 48-50

[Article by Ghali Muhammad: "Phosphate Mines in Abu-Tartur and al-Siba'iyah: 1.23 Billion Pounds in Project Investments; Raw Materials Enough for Thousands of Years"]

[Text] Abu-Tartur phosphate: The hour of work has begun. Yes, it has begun after 14 years of studies on whether to exploit or not exploit Abu-Tartur phosphate. We are not going to say that if the project had been implemented years ago, the expenditures would not have multiplied. We will overlook all this because bemoaning is futile, even if the matter merits bemoaning. Despite the long period and the intense controversy involved in such immense projects, the issue has ended in the manner prescribed by the evaluation committee's final report on the Abu-Tartur phosphate project and the Safaja chemical complex. The committee was formed on a decree issued by the industry minister on 25 March 1987. The committee concluded that it is inevitable to implement the project, else Egypt will be compelled to

import crude phosphate from abroad to meet its phosphate fertilizer [production] needs. The committee also concluded that it is important to build, through the partnership system, a chemical complex to produce phosphoric acid.

The committee that issued this report was called the National Committee for Abu-Tartur Phosphate Project. Industry Minister Engineer Muhammad 'Abd-al-Wahhab decided to form it so that it might provide a final opinion in the wake of the intense controversy on the project which began in 1975 and lasted until the committee was formed on 25 March 1987.

The 14-year journey ends and a report is issued to say that implementation will begin as of the beginning of July 1989 and that production at full capacity will begin in mid-1994.

This decision was announced by Engineer Muhammad 'Abd-al-Wahhab on location at the Abu-Tartur plateau.

The minister went to the site to spend 3 days there and to announce the decision among the site workers and leaderships. As a result, a detailed debate was held on the project's various aspects. The birth of such immense projects is difficult and a team of skilled surgeons is needed for the birth to take place without complications.

Difficult Birth

The birth conditions are difficult. The project needs vast investments at a time when we are suffering from a shortage of financing resources. The project is in a barren desert and wisdom dictates that a civilized society, not a society of residential boxes, be created in the New Valley Governorate where the governorate's first industrial project and Egypt's biggest mining project is being implemented.

The 3-day tour started from the New Valley Airport where the airplane landed. The port is modest and lacks all the well-known conventional capabilities. It is open and unfenced. Anybody can enter the port grounds without obstacle. Security begins at the plane steps and is undertaken by the plane guards themselves.

We move from the town of al-Kharjah, the New Valley capital, to the Abu-Tartur phosphate mine which is 60 km from the town. The mine and the project are located between the towns of al-Kharjah and al-Dakhlah which are separated by nearly 200 km. The asphalted road is bordered by sand and nothing else. Greenery appears at km 55. Upon entering the special road leading to the project, one encounters a 40-feddan farm worked by project workers since 1975 to meet their vegetable and fruit needs.

The tour, on which the industry minister was accompanied by Dr Faruq al-Talawi, the New Valley Governor; Ahmad Salih, the Industry Ministry's first undersecretary; and Engineer Husni Isma'il, chairman of the Public Sector Mining Authority, began with a visit to the project's various sites. At every site, the minister asked questions.

The project officials' answer constantly affirmed that workers at the site did not waste the past years idly and that work was carried out to move the project to the phase of readiness for implementation. For example, a sum of 12 million pounds was saved in grading one-half the project site to extract concentrates from the raw material. The workers graded one-half million square meters without the need for a contractor.

Thirteen wells have also been drilled to meet project needs when phosphate-washing operations, which require nearly 40,000 cubic meters daily, begin. Research shows that the strategic water store at the site is secure.

Inside Mine

We move to the site of the mine's main tunnel, 400 meters above sea level. The climb to the tunnel entrance is exciting, considering that the car drives through attractive mountain passes.

At the mine entrance, 'Abdallah Sabbagh, head of the Central Mines Administration, explains the role performed by Egyptian workers in digging the mine tunnel to lengths reaching 6.5 km; he says that it is necessary to dig 43 km of tunnels in the phosphate mine which occupies 112 square km, representing 1/10 of the Abu-Tartur plateau.

Here, Engineer Fikri al-Mursi, deputy chairman of the Industrial Projects Executive Agency, intervenes to say that the area in which it has been decided to begin mining certainly contains crude phosphate amounting to 1 billion tons and that this quantity is enough to operate the mine for a period of 1,000 years. If mining is extended to the rest of the plateau, it will be enough to operate the project for hundreds of years.

The mine tour then begins. The mine tunnel is lit with fluorescent lamps and ventilation pipes extend deep into the mine. A railroad also extends to the end of the mine to transport workers in the mine, not to move raw materials because these are moved by conveyer belts whose locations have been set in accordance with mine blueprints. On both sides of the main tunnel, crude phosphate is seen in thick layers 2.9 meters deep.

Cultural Leap

We head from the mine to the site of the residential town to be built with the project. The site is located on the road linking al-Kharjah with al-Dakhlah. When Eng

Muhammad 'Abd-al-Wahhab asks why the town is located 10 km from the project, remarking that this will increase the costs of transporting workers to town, Eng 'Abd-al-Mun'im Isma'il, head of the Industrial Projects Executive Agency, responds that selection of the town site on this road and at this distance has its justifications. The town will create a new cultural community, or a third town between al-Dakhlah and al-Kharjah. Its presence on the road will also make its residents feel that they are not isolated from the New Valley society. Moreover, this site will make it possible to take advantage of transportation on the road. Eng 'Abd-al-Mun'im Isma'il explains: The residential town will accommodate 3,500 workers in the first phase and the number will increase to 5,000 workers in the second phase, meaning that the town will accommodate 25,000 individuals, at an average rate of 5 persons per family. The number may reach 30,000 families [as published]. Engineer Isma'il also says that environmental conditions will be taken into consideration in building the housing units.

Eng Muhammad 'Abd-al-Wahhab then says: From now on, we will study the best means to enable every worker to own a housing unit for himself and his family upon retirement, even if he retires in 20 years. In creating this community, we seek to tie the worker to the place not only while he works at the project but also afterwards, so that the children may be bound to the same place and not return to their governorates. This is why it has been decided to consider the idea of establishing worker cooperatives to build housing units afterwards. The minister adds that during his visit to the site's kindergarten, he was happy to hear the children say that their town is Abu-Tartur. We are eager to have them stay here.

I ask the minister: Will the creation of a community similar to the Naj' Hamadi aluminum town community recur here? The minister responds: Certainly. The creation of a new community in this part of the New Valley will have its positive influences. This is the first industrial community in the New Valley, which was founded on agriculture. The priority in work opportunities will be given to New Valley residents, regardless of their qualifications. With a difference in form, this community will be similar to the aluminum community.

Linking East Egypt With West Egypt

What is more important, according to Eng 'Abd-al-Mun'im Isma'il, is the project for a 560-km long railroad from Safaja to Abu-Tartur. This line will be the first link between East Egypt and West Egypt. Consequently, it will facilitate movement to the New Valley. The line's total cost will amount to 450 million pounds. A total of 223 km of the line from Safaja to Qina have been completed. Seventy percent of the Qina bridge, which is about to be finished, have also been completed. The line from Qina to Abu-Tartur has not been extended yet. It requires 150 million pounds, of which 100 million are

needed for the coming fiscal year. The industry minister has promised to present the matter to the Council of Ministers to expedite allocating the investments.

Discussion

The industry minister then directed a discussion on the project.

Eng 'Abd-al-Mun'im Isma'il said that mining will begin in a 112-square-km area, representing 1/10 of the plateau, because it is the best area with which to start. Production visions started with 14 million tons of crude phosphate at the mouth of the mine to be processed into 7 million tons of concentrates. But it was then decided to begin production with 4.4 million tons of crude at the mouth of the mine to be processed into 2.2 million tons of concentrates annually, including 1 million tons of ore for local needs and 1.2 million tons of surplus ore. A search was launched for buyers to barter the surplus for equipment for the project. Contacts were made with the Soviet Union, China, and India.

Protocols have actually been concluded with the Soviet Union and it is expected that a contract to supply the equipment will be concluded within 2 months, at most. In return, the Soviet Union will import nearly 800,000 tons annually in accordance with the "system of equal transactions." This project will head the industry minister's discussions when he visits Moscow next June.

As for China, discussions are still going on. It is possible to export part of the crude in return for importing equipment for some of the project's plants.

Agreement has been concluded with India to set up a joint project to produce phosphoric acid and chemical fertilizer in Safaja.

Engineer Isma'il also said that the project's total cost will amount to 1.23 billion pounds, of which 238 million have been expended.

For Export

Eng Fikri al-Mursi then said that this project is the biggest mining project known to Egypt, in general, and the biggest phosphate production project in particular. This project will put phosphate on the export map: Exports will begin in 1993 at a capacity of 600,000 tons [annually] which will increase to 1.5 million tons in 1995. This is in addition to the plants that will be set up in the Red Sea area to produce phosphoric acid and fertilizer for export.

Dr Ahmad Nawfal then said that this project's phosphate is of international quality, considering that its phosphoric concentration can be increased from 25 percent to more than 31 percent with industrial condensation processes.

What is important is that this phosphate is free of rare poisonous substances such as arsenic, lead, and cadmium which have become a major point in pricing crude phosphate. Industrial countries reject high-quality crude phosphate containing a high percentage of these rare substances. International laboratories have proven that Abu-Tartur phosphate is free of these substances and will, therefore, hold an international position.

Scientific Community in Desert

At the end of these discussions which the minister interrupted to talk to the speakers, Eng Muhammad 'Abd-al-Wahhab said: The phase of definitive studies has ended and the phase of implementing this complete industrial project will start as of the beginning of July 1989. He also said that the project will continue to be called the Abu-Tartur project, adding: We will not begin as crude phosphate producers only. We will begin with a scientific cultural center in this place where a world-level research center will be established to study all matters pertaining to phosphate. This center's cadres are being trained now. A phosphate mining institute will also be established and will conduct 2-year academic courses to train all the workers of Egypt's phosphate mines and plants.

Abridging Timetable

The minister put the emphasis on abridging the project's timetable. Instead of beginning production at full capacity [in 1995], the minister stressed that full-capacity production should begin in July 1994.

He also stressed that this project will not saddle Egypt with any new debts or burdens because its costs will be covered in nearly 3 years [as published]. The value of its production is expected to amount to 300 million pounds annually, at current prices.

After the minister emphasized the importance of the scientific community, 'Abdullah al-Sabbagh said: Our hardship with the 14 years of doubt on the possibility of implementing the project has ended. With these words, we are saying that doubt-casting has ended and work has started on a project whose investments amount to nearly one-third of industry's investments—an immense project which will serve to remind people of the gigantic projects confirming that the public sector will not be dwarfed.

Abu-Tartur Children

Apart from the discussions, I tour the existing residential quarter which consists of 8 buildings. I ask every child I meet: What is your town? The innocent answer is: Abu-Tartur. There are 85 children born in Abu-Tartur, including 55 who are in a school established for them. Most of the time, the children play between the buildings, with the mountain behind them. In front of them lie green spaces cultivated by the residents to meet their

vegetable needs and to feed the poultry they raise. In the desert, every resident has built a small structure in which to breed the birds he needs. The New Valley is now saddled with the concerns of the old valley, meaning work opportunities for the youth. Some of the people I met in al-Dakhlah say that they go to work in Cairo. We are awaiting Abu-Tartur and awaiting the hour of work to begin.

Uranium Extracted From Aswan Mine

45040395 Cairo AL-MUSAWWAR in Arabic
9 Jun 89 pp 48-49

[Article: "Uranium Store in al-Siba'iyah West Phosphate Mines"]

[Text] Al-Siba'iyah West phosphate mines in Aswan are different from other mines. They are open mines where the work is carried out by digging channels because of the geological structure. The area is covered by a layer of silt sediment nearly 8 meters thick and a layer of hard rock estimated to be 2 meters thick. Work is carried out by eliminating the silt on both sides, using a gigantic rig, and then by blowing up the rock layer with dynamite. Phosphate is then mined and transported to a giant crusher.

When the phosphate is mined, the silt is replaced so that the land may become arable. According to Dr Sabri 'Ajlan, chairman of the Abu-Za'bal Fertilizer Company, it is certain that the entire mining area where the crude reserve is extracted, estimated at 4,200 feddans, will become arable land in 15 years.

Uranium

Crude phosphate in this area is considered a source for the production of uranium through the phosphoric acid unit. This area's crude phosphate contains a percentage of uranium that can be extracted only from phosphoric acid, which is produced from concentrated crude phosphate. It is expected that the phosphoric plant, in cooperation with the Nuclear Materials Authority, will produce 15 tons of uranium.

Dr Sabri 'Ajlan adds that by virtue of the nature of the mined crude phosphate, the concentration and purification processes are carried out at the same site, especially since implementation of the phosphoric acid project depends on highly concentrated good-quality phosphate. The project has been actually implemented with British financing and with investments amounting to 150 million pounds, of which the local component equals 50 million pounds. The plant rids the crude of impurities, salts, and silica. The crude, mixed with water, is then pumped through a 6-km pipeline. This step, used for the first time, has been designed for this project. The crude is then separated from the water at a special port on the Nile to be shipped by barges to the company in Abu-Za'bal. The water is reused.

Local Manufacturing

Dr Sabri 'Ajlan further adds that a relatively large part of the equipment has been manufactured locally, especially the piping, the structures of metal installations, all civil works, and some electrical equipment. Experimental operation of the project has begun and it is expected that the project will operate at full capacity, estimated at 1/2 million tons of concentrated crude, next October.

Prospecting for Raw Materials

Chemist Mahmud al-Bahtimi, head of the technical sections of Abu-Za'bal Company, says that concentrating the crude in this manner is beneficial to the phosphate fertilizer industry. Even though the confirmed crude in the area is estimated at 15 million tons, enough for 15 years, there is a program to prospect for crude phosphate in other areas in order to underline [our] economic independence. There are clear indications clear that al-Siba'iyah West area contains, as an initial assessment, nearly 100 million tons of reserves.

As for labor, more than 80 percent of it is from the area. Moreover, it has been possible, according to Engineer 'Abd-al-Malik Faraj al-Sayyid, the general director of plants, to use local oil instead of imported oil (olic acid) in the process of floating the crude. This has produced savings of \$4 million annually. The plant was designed to use local oil.

ISRAEL

Central African Republic President Arrives

TA1607122589 Jerusalem Radio in Hebrew
1200 GMT 16 Jul 89

[Text] Andre Kolingba, president of the Central African Republic [CAR], arrived in Israel today. A state ceremony in his honor was held in the Rose Garden near the Knesset in Jerusalem at noon. He was received by President Hayim Herzog and by Cabinet ministers.

The CAR recently resumed diplomatic relations with Israel after severing its relations with Sudan, which had not allowed President Kolingba through its airspace when he was on his way to Israel [about 2 months ago].

The CAR president arrived here from Paris, where he participated in the 200th anniversary celebrations of the French revolution.

Political, Economic Cooperation With Israel

34000478z Johannesburg THE CITIZEN
in English 28 May 89 p 13

[Text] Jerusalem. Israel signed an agreement for political, economic and cultural co-operation with the Central African Republic, 16 years after the small African nation severed relations with the Jewish state, a Foreign Ministry spokesman said.

The "protocol of co-operation" was signed by Israel's Foreign Minister Moshe Arens and visiting Central African Republic Foreign Minister Michel Gbezera-Bria.

The agreement strengthens cultural, economic and cultural relations between the two nations, but includes no military ties, Foreign Ministry Spokesman Allon Liel said.

Gbezera-Bria is the highest ranking Minister from the African nation to visit Israel since ties were severed in 1967.

He also met President Chaim Herzog as part of his four day visit, which ends today.

Central African Republic President General Andre Kolingba was scheduled to visit Israel yesterday and participate in the signing ceremony, but cancelled his visit due to "due to technical difficulties," Mr Liel said.

Israel television aid Sudan refused to allow Kolinba's aircraft to cross its airspace and the president was forced to cancel his visit mid-flight.

Sudan is a member of the Arab league and has no diplomatic relations with Israel.

The Central African Republic was one of 29 African states to sever relations with Israel in the wake of the 1967 Middle East war in a show of solidarity with Arab nations.

African states began resuming relations with Israel after Egypt signed the Camp David peace accords with Israel in 1979.

The Central African Republic re-established relations in January 1989. Israel maintains diplomatic ties with 10 African states.

Ben-Aharon on Soviet Role in Regional Politics

TA3006110089 Jerusalem THE JERUSALEM POST
in English 30 Jun 89 p 2

[Report on an interview with Yosy Ben-Aharon, the director general of the Prime Minister's Office, by Asher Wallfish on 29 June; place not given]

[Text] Israel would agree to the two superpowers serving as co-sponsors in the ceremonial sense to launch a process of direct negotiations for resolving the Middle East dispute, says Yosy Ben-Aharon, director general of the Prime Minister's Office and one of Shamir's main foreign policy advisers.

Ben-Aharon reminded THE JERUSALEM POST in an interview yesterday that Shamir first gave his assent to this formula when former U.S. secretary of state George Shultz first aired it two years ago.

Ben-Aharon remained unmoved by reports that the Soviet Union would now subscribe to the two-superpower sponsorship formula, in preference to its previous formula whereby the five permanent members of the UN Security Council would oversee an international conference on the dispute.

"It's not so much what the Soviet Union says which interests me, as why the Soviet Union says it," he told THE JERUSALEM POST. "Moscow has an eeni-meeni-miney-mo routine, whereby it comes out with one of a set of notions from time to time in an arbitrary manner, just to prove that it has as many ideas on the Middle East dispute as the U.S., and is genuinely interested in resolving it.

"The Soviet Union assumes that by coming out with ideas, not necessarily consistently, it enhances its image. It is highly satisfied with the media response and it is ready to irritate the Arab states and the PLO to a limited degree if need be," Ben-Aharon said.

"The problem is that the Soviet Union adds so many conditions to the superpower sponsorship formula that it makes the idea of direct negotiations totally sterile, an outcome which Israel cannot accept," he said.

"The Soviet strategy seems to be to push our political initiative off the rails, while still endeavouring to sound positive, helpful and genuine," he said. "But we won't let the Russians derail us," he added.

"All the previous proposals have in any case been superseded by the Israeli government's political initiative which our friends in Washington have described publicly as 'the only game in town,'" Ben-Aharon stressed. "We are still waiting for a reply from the Palestinians.

"True, the Soviet Union made some positive mention of the element of elections in our four-point menu. But they garnished it with so many side-dishes as to alter the taste out of all recognition. On top of it all, the Soviets said that the purpose of the elections was to permit the Palestinians self-determination," he said.

"As we wait, meanwhile, for the Palestinians here to give an answer to our political initiative, we hear by roundabout routes that the talks conducted in Tunis by American diplomats have made no headway. You recall, of course, that we have no interest in what goes on in Tunis. We ask no questions, and we do not agree to receive briefings about it," he said.

"One heartening fact is the assurances we got during the past few days from Senator Daniel Inouye, from former ambassador Sam Lewis and from American Jewish figures, that the Israeli initiative is drawing increasingly enthusiastic support in Washington, in the Jewish community and in public awareness in the U.S.," Ben-Aharon insisted. [Tel Aviv DAVAR in Hebrew on 30

June in a review of Soviet-Israeli relations by Ella Fried on page 17 quotes Ben-Aharon on the issue of Soviet Jewry as saying that "we estimate that the Soviet Union has decided to differentiate between two spheres: Soviet Jewry and relations with Israel and the Middle East." In this first sphere, the USSR is pursuing "the new line of thinking which characterizes Gorbachev." In keeping with this policy, there is "a willingness to open the gates to the Jews and also, apparently, allow a greater degree of educational, cultural, and religious freedom inside the USSR." As for the second sphere, "the Soviet Union has various assets in the Middle East that it is unwilling to jeopardize by any drastic change in its relationship with Israel."

More Palestinians Said Murdered Since Initiative Published

TA1707133489 Jerusalem Radio in Hebrew
1300 GMT 17 Jul 89

[Text] There has been an increase in the number of Palestinians murdered by other Palestinians since the publication of the peace initiative. In the first 3 months of 1989, four Palestinians were murdered monthly. Our correspondent Ze'ev Kohen reports that 10 were murdered in April, 10 in May, and 14 last month.

There has also been an increase in the number of torched vehicles and other damage to property. According to figures issued by the defense establishment, most of the actions were perpetrated by the PLO.

Possible Changes in the Character of the Intifadah Examined

TA2407164089

[Editorial Report] In the 24 July issue of the Hebrew language daily MA'ARIV, on page 7, Emmanuel Rozen writes that "the assessment that the intifadah (uprising), especially in the West Bank, is undergoing a consistent process of calming down and stopping has been made by the IDF (Israel Defense Forces) and the security arms for about two months now. But even the most optimistic are still not prepared to sign the uprising's death certificate, and the IDF is not enthusiastic about making too-promising declarations in public. During the past few weeks, several reserve-duty officers in the central command have approached the office of O/C Central Command Amram Mitzna, asking, 'Why are you concealing the fact that there actually is no intifadah?'" According to Rozen, "in closed meetings and situation appraisals, senior officers are more daring, and their main claim is that for the first time since the start of the uprising, control of the situation has passed to the IDF, and the activities of the popular committees have been almost completely neutralized. The decrease in the 'blood pressure' of the level of violence began about two-and-a-half months ago, and continues its consistent decline. As early as a month ago there was an assessment that the drop is not temporary or coincidental, and now this assessment is more accepted. There has been a 50-60

percent decline in the scope of violent activity in certain locations where the intifadah thrived until recently. This is felt chiefly in the regions of Hebron, Nabulus, Qalqilya and Ramallah, and less so in Bethlehem. The decrease in the number of Arab casualties has been less impressive, but it emerges from a more thorough analysis that most of the casualties are people wanted by the authorities, who clash with IDF soldiers as part of initiated actions in villages. Many fewer Arabs are injured in demonstrations, disturbances and incidents along roads. There has been a clear drop in the level of violence along sensitive roads and near settlements, and increased security. Security figures name three main reasons for the weakening of the intifadah: the worsening economic situation of those involved in the uprising; the political process; and the initiated actions that are being conducted each night in the villages. The major accomplishment of the initiated actions, which are military operations in every respect, is their success in striking at the bases of departure and organization of squads of stone and Molotov cocktail-throwers. The [initiated] actions are undertaken by elite IDF units and paratrooper units. Mitzna¹ has prohibited these forces from being assigned to regular policing activities. In the past two months the balance in the distribution of forces has completely changed: More forces are involved in initiated actions and fewer in policing." Rozen adds that preparations for initiated actions include advance gathering of intelligence information, operational planning and briefings. Soldiers wear combat vests, do not carry riot batons, and carry out assignments with which they are familiar.

On page 6 of the same edition of MA'ARIV, Avino'am Bar-Yosef writes that "the relative decline in large demonstrations and mass clashes with IDF forces does not indicate that the intifadah is dying out, but that there has been a decrease in the wave of violence. Simultaneously, there has been an increase in the activities of individual radicals who no longer accept the authority of Fatah supporters, who used to set the tone in the unified leadership of the uprising. This assessment is accepted both by professional and civilian elements in the territories and by Palestinians. The main characteristic of the intifadah is not its violent activity, but rather the population's willingness to engage in civil revolt. According to senior security figures, as long as the general strikes continue, there is no chance of putting an end to the Palestinian uprising." Bar-Yosef provides several examples of this willingness to engage in a civil revolt: A "shadow council" is operating within the Nabulus municipality, and is following PLO instructions. The shock forces decide whose water and electricity supply should be discontinued, and who should be denied services, and they ignore the Military Government; the boycott of Israeli goods is increasing, and the PLO is encouraging industrial development through the channeling of large sums; there has been an increase in the institutionalization, organization and unification of elements involved in subversive activities.

Intifadah Impacting Israeli Arabs' Political Identity

44230114c Tel Aviv 'AL HAMISHMAR
in Hebrew 29 May 89 p 7

[Article by Avner Regev]

[Text] Member of Knesset 'Abd-Wahb Darawishah was recently interviewed by the Kuwaiti newspaper AL-ANBA'. Among other things, he maintained that "Border Police units are carrying out massacres among the population of the territories, and that they belong to the bottom of Israeli society." Darawishah added that "the Arabs of Israel are an inseparable part of the Palestinian people and have feelings of solidarity and sympathy with the uprising in the territories."

Without entering into a discussion of the activities of the security forces in the territories, statements of this type made by a Knesset member to a newspaper in Kuwait require a response, even if Darawishah's right to determine his political identity is inarguable.

Concurrently, Minister of Agriculture Avraham Katz-'Oz called for carrying out some type of transfer of the Arabs in the Galilee to the center of the country and to populate the Galilee with many Jews to preclude an Arab majority there. Even the Mayor of Nahariya, Likud member Jackie Seveg, announced that he would not permit Arabs to live in his city and would do everything within his power to prevent the acquisition of apartments by Arabs in Nahariya. In response to these statements and other events, the leaders of the Arab sector in Israel decided to hold five demonstrations on 10 June (in the Galilee, in the northern and southern triangles and in the Negev) to protest prejudice and discrimination in the Arab sector.

Ehud Olmert, the minister responsible for minority affairs, reserved judgement on the calls made by the agriculture minister and the mayor of Nahariya, but strongly condemned the decisions of the leaders of the Arab sector and claimed that they inflame hatred.

About 3 weeks ago, 'AL HAMISHMAR published an article clarifying the *modi operandi* used by Israeli Arabs in their struggle in the municipal, Palestinian, and nationalistic spheres. Last week's statements characterize the recent process of deterioration in relations between Jews and Arabs in Israel. The article viewed this deterioration as part of a process of escalation affecting Israeli society in response to the intifadah [Palestinian uprising], which has lasted for more than a year and a half with no end in sight. Darawishah's statements, and the decisions made by the Committee of Arab Council Heads, position the Jewish public on the backdrop of the sad reality of mutual killing and murder. If the Arabs of Israel move from statements to actions, they would be obliged to take into account the strong reactions which this would generate on the part of the Jewish public and the Israeli government. It is difficult for ministers in the

government to restrain themselves for long regarding Darawishah's statements and to refrain from responding, in a fashion liable to be especially strong, to the actions of the Committee of Arab Council Heads. The Arab political scene is currently divided between supporters of RAKAH [New Communist List] and supporters of the parties of Darawishah, Mi'ari and the Islamic movement. This struggle is liable to drag Israeli Arabs into competing to see whose activities are more extremist. It is also liable to lead to a loss of control by leaders of the Arab public over their people, and to the rule of the masses on the street.

In a survey undertaken recently by an Arab researcher of students in 12th grade in the Arab sector, it emerges that 83 percent of the respondents see themselves primarily as Palestinians. Most of the respondents opposed any involvement with Jews and added that the intifadah accounts in large part for their world view. Several days ago, at a conference at the Hebrew University, another Arab researcher, Dr Majid al-Hajj, analyzed the responses of Israeli Arabs to the intifadah. Among other things, he determines that the hostility of large circles toward Arabs in Israel makes it difficult for Arabs to find a balance between citizenship affiliation and their nationalistic affiliation, a balance which was upset by the intifadah. The researcher distinguishes a number of phases in the response of Israeli Arabs to the intifadah. Initially, there was the phase of embarrassment, followed by solidarity and active identification. In the next phase, mainly during the elections campaign in Israel, support and activity slackened. In the current phase, Israeli Arabs feel alienation and disappointment over their position in the state and the treatment they are receiving from the Arabs of the territories. In conclusion, the researcher determines that if Israeli Arabs are pressed into a corner, it is not necessary to predict their reaction, whose pattern is liable to match that of the intifadah or other struggles in terms of intensity.

Dr Majid al-Hajj ignores the reasons for the wave of nationalism currently passing over Israeli Arabs as expressed in different activities, which are currently sporadic and isolated, yet nonetheless expressive of feelings of identification with the Palestinian struggle. Israeli Arabs have already gone through a limbo phase. They now view themselves as part of the Palestinian nation and people, and their statements and activities in this respect derive from this view. Mi'ari's party, together with Darawishah's party, are currently attempting to join with the Islamic movement and to run together on a joint list in the next Histadrut elections. This coalition, which is aimed mainly against RAKAH, is one of the elements of fermentation on the Arab political scene.

Of course, RAKAH, which has for many years enjoyed a public forum for expressing its views because of its representation in the Histadrut's executive, would not accept the loss of its seniority in the Histadrut. The new coalition does not aim to raise the problems of Arab

Histadrut members regarding trade unions, wages and the like. Rather it aims to raise issues primarily connected to nationalistic, political matters linked to the Palestinian struggle. The Islamic movement, which garnered significant momentum in local elections in February and March 1989, will attempt to lead a process in which the religious aspect is dominant, without offending the secular movements. If this coalition succeeds in causing a revolution in the Histadrut from the standpoint of the Arab vote, it would be necessary to prepare for a nationwide revolution in the next Knesset elections. This process, which started with RAKAH's ouster from its senior position in the municipal sector, will continue in the bearing of the banner of Israeli Arabs in their struggle for definition as a national minority.

Recently, an agreement was signed between the heads of the Arab councils and the Labor Party regarding the council heads' support of the Labor Party's representative for the position of chairman of the local authority center [merkaz]. This agreement is the result of vigorous negotiations, at the conclusion of which, the Arab public was promised specific quid pro quos in exchange for its support. This development should be viewed positively, inasmuch as it constitutes an example of the possible curbing of the separatist aspirations which began to prevail recently among different Arab population groups. The process of integration into the political game must be encouraged through understanding and discerning the goals of the Arab sector in this process. The Israeli government and the Israeli Arabs are obliged to accept the need for coexistence in one state. There is no possibility of changing the status of the state of Israel to a binational state, just as it is impossible to transform the Arabs of Israel into part of the Zionist movement.

**Officials With Security Experience Address
Intifadah**
44230079

[Editorial Report] A report on page 4B of the 23 June issue of the Tel Aviv Hebrew-language daily MA'ARIV discusses the recommendations of seven Israeli officials on how to deal effectively with the intifadah [uprising].

Mordekhai Gur, minister without portfolio, and a general in the IDF (Israel Defense Forces) reserves, argues that the Israelis "must emerge from the intifadah [uprising] victorious." Simply stated, Gur argues that the intifadah is a war and must be fought in that way. He explains that this war must be conducted within the constraints of the law so as not to lose political and moral support within and outside of Israel. Gur adds that the law must not be altered on an ad hoc basis in order to meet the exigencies of the moment.

Rafi Eytan argues that Israel must maintain sovereignty over all of the land of Israel (including some of the occupied territories). Maintaining sovereignty, Eytan argues, dictates an array of possible options. First, Jewish sovereignty must be established over all Jewish

settlements, marginally Arab areas, and areas of vital security importance. This includes, he explains, five or six predominantly Arab areas. Second, Eytan notes that the intifadah is equivalent to a guerilla war. Thus there is a need to produce legislation which will legally facilitate an offensive war, the only way to win a guerilla war. Third, a road system must be built in the occupied areas to the exact specifications of the roads in Israel proper. Fourth, power to direct the opposition to the intifadah must be given to suitable people. Eytan suggests that Ari'el Sharon is an example of one eminently qualified person. Finally, Eytan argues that a national consensus must be reached, so that a strong commitment of both manpower and resources can be made.

"We do not possess the military-technical means to halt the intifadah. We can kill and destroy more, but not end the uprising," advises intelligence specialist and Brigadier General (Reserves) Arye Shalev. He adds: "We are in a war which we must win." Shalev makes four recommendations. First, he explains that Israel must bar the entry of Arab workers. Second, Israel ought to take one troublesome city and make an example of it by levying a curfew on it for several months. Third, Shalev recommends that the border with Jordan be completely closed for both psychological and economic purposes. Finally, he explains that the cash flow into the territories must be halted. Shalev defends these four measures not only for their effectiveness, but because they would "stop the intifadah with only a minimum of violence."

Intelligence specialist and Brigadier General (Reserves) Shlomo Ilya focuses on the need to generate more consensus in Israeli society in order to deal effectively with the intifadah. Such consensus does exist at present, he explains. Ilya warns that the Arabs "must not be permitted to maneuver in a manner that divides the Israeli polity and Israeli society."

Alignment MK and Brigadier General (Reserves) Bin-yamin Eli'ezar expresses the belief that Israel is "one minute away from an explosion ... despite this it is also headed toward a meaningful political process." He makes the following recommendations:

1) A broad dialogue should be conducted at all levels of the uprising leadership as well as overseas.

2) Action must be taken against the "purveyors of violence."

3) One incident of fanatical violence must be selected for exemplary reaction. The army should then be sent in to "take care of it."

4) The Arabs must be informed that their working in Israel is a privilege that they can easily lose.

5) The idea of closing the bridges to Jordan should be examined.

6) The government must inform the extremist Jewish minority that any action likely to devolve into anarchy will be opposed.

Tzomet MK Refa'el Eytan explains that the uprising is just another segment of the Arab-Israeli conflict, a conflict which has not changed substantially since it began. Only the form in which the conflict is acted out has changed. This conflict will only continue, Eytan explains, "as long as the Arabs have any hope of victory." The Arabs, he adds, are opposing Israel because of her very existence in the Middle East, and nothing less. Eytan also makes five recommendations. First, he explains that settlement activity must be resumed at full pace. Second, deportation and collective punishment must be used extensively. He states that the first to be deported should be those in the political information centers in East Jerusalem. Eytan explains that "the rule must be that the suffering and pressure resulting from the terrorism must be on the heads of the Arabs. If they throw stones on a certain street, Arabs will not travel on that street anymore. If there are disturbances in a certain town, heavy penalties must be levied on that town." Third, he adds, "We must pressure them directly." He proposes that such pressure should include ending working privileges in Israel and limiting the provision of basic commodities such as cooking oil and cement. Fourth, Eytan recommends that military measures like those used against all other terrorists must be used. He says that the IDF must have good intelligence, stimulate unbridled initiative, use unconventional tactics, and use all possible shrewdness and wisdom. Finally, Eytan argues that Israel must strike anyone who acts against it, even if that requires operating beyond her territorial borders.

Finally, the views of Yitzhaq Moda'i, the minister of economics and planning are presented. Moda'i explains that any public policy attempt to destroy the intifadah "provides the Arabs in Israel with an opportunity to achieve a victory the likes of which they have not had since the days of Salah-al-Din." To prevent such an outcome, Moda'i makes the following suggestions:

1) The IDF must act to stop the intifadah and not merely to lessen it.

2) Offensive measures must be used against Arab villages since passive measures are ineffective.

3) Standard weapons of war, such as tanks, must be used.

4) The Mosad should be put into service.

5) The road system in the occupied territories should be upgraded to that of Israel, and no Arabs should be permitted to enter Israel in private vehicles. All of those leaving the territories should be carefully inspected by the police. Such inspections should also be carried out at the Jordanian border.

6) In trouble areas like the casbah in Nabulus, the army should block access to the rooftops.

Orr Opposes Military Solution to the Intifadah
44000557b Jerusalem *THE JERUSALEM POST*
in English 2 Jun 89 p 2

[Article by David Krivine, JERUSALEM POST reporter: "A Military Solution to the Intifadah? It Can't Be Done"]

[Text] The idea that a tougher defence minister or a tougher chief of general staff would put down the intifadah [Palestinian uprising] overnight is demagogic nonsense, according to Aluf (res.) Ori Orr, former commanding officer of the IDF [Israel Defense Forces] Northern Command. "I don't know a single ranking senior office who believes that. I do not speak of ex-army men who are now politicians," he adds.

"This isn't the first time that people expect the military to solve political problems. It can't be done, as we learned to our cost in Lebanon. The IDF did the fighting necessary for peace in Galilee, but they couldn't change the Lebanese political system, or repress the thousands upon thousands of Shi'ites."

What about Minister Ari'el Sharon's assertion that given the opportunity he could subdue the West Bank, as he did in Gaza 20 years ago?

"The two situations are not comparable. Sharon faced a few hundred armed insurrectionists, the mass of the population were lethargic and unconcerned. Today, an entire population has risen against our dominion."

Orr does not go to the other extreme. "Some left-wingers urge that we walk out of the occupied territories, leaving them to their own devices. I don't go along with that. 'Arafat would take over and intensify terrorist activities across our borders.'"

We cannot withdraw, he argues, before a political settlement is negotiated, nor can we terminate the intifadah without a political settlement. "Of course, it is possible to adopt the kind of methods used by the Nazis in World War II. We could go in with tanks, we could kill a thousand people a day, and that should certainly bring a lull in the disorders. But we wouldn't have solved the problem."

What about expelling the ringleaders?

"There have already been expulsions. Are you suggesting we go further and expel 10,000 people? That might jeopardize our relations with Washington, imperilling the continuance of American aid. Besides, after the 10,000 had left, another 10,000 would surge up."

What about the argument that if Israel surrenders Nabulus today, it will be surrendering Yafo tomorrow?

"I don't accept the principle that I must sit on Nabulus in order to protect Yafo. We shall withdraw from Nabulus in the context of a signed treaty ensuring our security. If the Arabs violate that treaty, we shall have to fight them." Orr does not think such a collapse likely; peace has its own momentum.

Orr is now the director general of the Jewish National Fund, whose chief activity is something close to his heart: land redemption. Practical-minded, he offers no facile solution for the political conundrum.

"The status quo is bad," he says. "The creation of a Palestinian state is also bad. Somewhere between the two, a formula must be devised that both sides can live with."

A solution can be found, he is sure of that. "Seventy percent of the Israeli population don't see the disposal of Judaea, Samaria and Gaza as an ideological problem, they see it as a security problem."

How to solve it? "The big clash is, we could say, between geography and demography. Some put their faith in geography, that is, the retention of territory. They think everything depends on that: safety, military defence, economic survival; I don't speak of ideology."

"Geography is important, I agree; but demography is a lot more important." The Jewish state has to be inhabited in the main by Jews. The incorporation of 2 million Arabs would present the greatest possible threat to the country's future prospects.

"At this moment, fiery elements want all the Arabs out of Ashdod, Ashkelon, Ma'ale Adumim, Petah Tikwa. Yet they are the same elements who cry out to retain the whole of the Arab-inhabited territories."

"We have experience of ruling over the Palestinians. I say that our preoccupation with that has held up our own social and economic development. The Arab problem takes up nearly all our time, and it is no longer just a political subject. The intifadah has penetrated our daily lives. We ask ourselves whether we can travel to Jerusalem, things like that. We should be thinking about other matters: education, ecology, the quality of life."

Military Courts To Operate Despite Lawyers Strike

TA2007192689 Jerusalem TV in Hebrew
1800 GMT 20 Jul 89

[Excerpt] Brigadier General Amnon Strassnoff, military advocate general, said today in reaction to the Arab lawyers' decision to strike that the military courts will continue to function despite the strike. He strongly condemned the strike, saying that it is highly questionable whether the reasons given for it are indeed professional. He told our correspondent that the activity of the

military courts has substantially improved over the past few months. The number of judges has doubled and trials are being conducted more speedily. [passage omitted]

'Serious Logistic' Problems Face Courts in Territories

TA2107102489 Tel Aviv HA'ARETZ
in Hebrew 21 Jul 89 p A2

[Report by Dan Sagir]

[Text] Some 5,000 Arabs detained in the various lockups and prisons for intifadah [uprising] offenses are awaiting trial, according to figures valid up to 12 July issued by the IDF [Israel Defense Forces]. The total figure of detainees on that day was 8,682, of which 1,847 have been tried, 1,449 are awaiting trial, and 3,432 are detained until the completion of proceedings against them. There are also 1,954 administrative detainees.

A military source said the large number of detainees awaiting trial was due to serious logistic problems facing the Military Judge Advocates Office in conducting military trials of people detained for various intifadah offenses. It is difficult to bring the defendant, witnesses, and the prosecutor together at a certain hour on a certain day, particularly soldiers in the reserves who have been demobilized because it is difficult to find them and get them to appear at the trial.

The source also said that in a political protest move, some 98 percent of all those brought to trial for intifadah offenses refuse on principle to plead guilty in order to wear down the Israeli court system and the detention centers. This phenomenon creates a "blockage" in the military court system in the territories.

In relatively few cases does the military prosecutor propose or agree to release on bail people detained for intifadah offenses, and in many cases the detainees spend as much or sometimes more time in detention as the terms to which they are sentenced.

Amnesty Intervenes on Behalf of Refusing Reservists

44230114a Tel Aviv 'AL HAMISHMAR
in Hebrew 7 May 89 p 6

[Article by Avy Benyahu]

[Text] The international human rights organization, Amnesty International, announced on the weekend that it recognizes soldiers incarcerated for refusing to serve in the territories as "prisoners of conscience," and called on the government to release them immediately and unconditionally. Reserve Sergeant Ramy Hasun, who has already served 140 days in a military prison for his

refusal to serve in the territories, received on the weekend, in his cell at the 'Atlit Prison, another call-up order effective upon his release from serving his current sentence at the end of May.

Different elements expressed great surprise at the IDF's [Israel Defense Forces] policy in its treatment of Hasun.

Another reserve soldier, Eytan Hillel, 33, married with one child, was sentenced at the end of the week to 28 days imprisonment for refusing to serve in the territories.

Reserve Sergeant Ramy Hasun is currently serving a prison term of 53 days in the military prison at 'Atlit after receiving a suspended prison sentence, to which an actual sentence was added because of his refusal to serve in the territories.

At the end of May, Hasun is supposed to be released from prison after serving 140 days because of his refusal to serve in the territories.

A spokesman of the "Yesh Gvul" [There Is A Limit] movement reported, as stated, that at the end of the week, Hasun received an additional call-up order, and it should be assumed that he will refuse to serve and will be imprisoned again. The spokesman stated that this policy is not clear, especially since, last Friday, two reserve soldiers, Elon Melamed and Rony Pinsker from Tel Aviv, who were serving prison terms in the 'Atlit Prison for their refusal to serve in the territories, received pardons and were released much to their surprise, inasmuch as they received their pardons without requesting them, as is customary.

In answer to a question posed by 'AL HAMISHMAR regarding the IDF's policy on this subject, a senior military element responded officially that "there is no new policy regarding military treatment of those refusing military service; this matter is the direct responsibility of unit commanders, who also judge the soldiers."

Instructions on Destroying Shooting Evidence Disseminated

TA1307133289 Tel Aviv HADASHOT
in Hebrew 13 Jul 89 p 5

[Report by Oren Kohen]

[Text] A leaflet signed by the Suppression of Traitors organization that includes instructions to settlers involved in shooting incidents on how to destroy incriminating evidence has been disseminated in the territories over the past few days.

The leaflet, called "Address No. 4," says in its introduction that the police should be prevented from conducting ballistic registration of weapons in the settlers' possession. This is followed by an explanation in theory that says: "The ability to positively identify a weapon that

has been fired is quite low. It is based on two elements: the bullet found in the body of the person shot, or the shell found next to the person who fired."

The part dealing with identifying a weapon based on the bullet says, among other things: "If the bullet is not found after it has exited the body of the person shot, chances are very low that the weapon will be identified. It is advisable to use an M-16, which is more accurate; also, its bullet is sharper and its chances of exiting the body are greater."

In another chapter the leaflet says: "Some 90 percent of the ability to identify a gun relies on the characteristics of the shells. Therefore, if you shoot, make sure the shells stay with you, and get rid of them in some secret place."

It further says: "In any event, if you are picked up by the police, never say a word. It is your right and your duty to remain silent. It is better to suffer tortuous talk. Do not believe a word your interrogators say. Their task is to incriminate you; yours is to save yourself."

The leaflet concludes: "If you did something, heaven will bless you for it. Do not chatter about it or expect to hear applause. If you do, you will soon hear police sirens and your family crying." It ends with the instruction: "Read and pass on." The Judea District Police are investigating the origin of the leaflet. They mainly suspect the Kakh (Meir Kahane's Party) movement. Apart from David Axelrod, who was released on bail and is under house arrest, no suspects in the dissemination of the leaflet have been detained so far.

IDF Contends With Growing Female Enlistment 44230114b Tel Aviv 'AL HAMISHMAR in Hebrew 7 May 89 p 3

[Article by Avy Benyahu]

[Text] The IDF [Israel Defense Forces] is currently engaged in finding a solution to an increase in the number of females enlisting in the army. "We have a serious problem of a surplus of women in the army, and the IDF will have to make a decision on this matter this year," stated a senior military element to 'AL HAMISHMAR at the end of the week.

The senior military source stated that proposals to deactivate the recruitment cycle or shorten the length of service for women were rejected. "Cancelling the recruitment of a segment of the females would create a problem of inequality in the distribution of the burden. Also, shortening the length of service for women would make their service very expensive due to training costs. The current situation is that the army has large surpluses of females, mainly at the intermediate and low level."

According to the senior officer, possible solutions being considered by the IDF include the establishment of special additional units of women to operate alongside

the IDF on the pattern of the soldier-teacher unit, hospital nurses, and museum and field school guides. Also, additional traditionally male vocations would be opened to females.

Regarding the increase in the number of male recruits, the military source stated that it was decided to bring the regular army up to full complement to make it easier for reserve personnel.

Mitzna' Discusses Detention Facilities and the Future

TA2007194089 Tel Aviv 'AL HAMISHMAR
in Hebrew 14 Jul 89

[Editorial Report] The author explains that several months ago the General in charge of Central Command, Amram Mitzna' participated in a discussion with reserve duty commanders, members of the Mapam-affiliated Kibbutz Artzi. He adds that in accordance with Mitzna's request, 'AL HAMISHMAR decided to publish the main parts of his comments during the discussion. The following are excerpts from his remarks: "As to the broad phenomenon of disobeying orders, it is true that there were things which should not have occurred, and I remember myself talking about beatings and illegal commands. It seems to me, and I definitely include myself in this as well, that we did not understand the importance of the clarity of commands in the situations in which we find ourselves. A soldier or junior commander must not say that the commander who gave a specific order fought back a smile while doing so. It is true that we were not sufficiently clear and firm at the start in order to deal with this. From my standpoint, the incident in Nabulus, what is called the CBS affair, constituted a sort of slap to the consciousness as to the need to clarify, and to make sure that the commanders do not understand something that you did not say. The second thing, of course, is not to be deterred from punishing and dealing forcibly with soldiers who committed an offense; and believe me, this is very unpleasant. A large portion of the aberrations take place as a result of soldiers getting carried away and losing their sense of discipline, such as the example of the paratroopers [who committed acts of vandalism] in Kalandiya. In that case, the incident occurred because of a junior commander who was the only one who could have prevented the soldiers from getting carried away, and who got a little carried away himself... This can happen to soldiers on the highest level and with the highest moral standards. I remember myself running and charging with the soldiers; when you finally catch someone, you are dying to slap him, or kick him, or even worse. It is the duty of commanders to understand that every soldier, even if he has gone to the best educational institutions, is liable to reach such a situation. It should not be concluded, however, that the occupation corrupts and leave it at that. The problem should be confronted."

Mitzna' continues: "Regarding the detention facilities, there are more than three currently under my responsibility, and the system is more predictable than all of the

Prison Service. Therefore, no one should come to me in a year or two and say: "We told you so." I have been saying from the moment we began establishing all of these camps that we have no other way. Furthermore, the penalty of imprisonment no longer deters. There are those among them who say: "In another month a Palestinian state will be established and I will be released." There are those who are more pessimistic, and say: "A state will be established in another year, so I will sit in prison a year." And there are those who want to be imprisoned so that this will be written on their employment record. Therefore, I do not want imprisonment as a punishment. Its only purpose lies in that when they are in prison they are not in the field. It has been said: "Expel them all." But this is practically transfer, since transfer is also a quantitative matter. Even if expulsion is a good punishment, we face so many constraints that we cannot carry it out. Ultimately, we have no other way. I have been asked why the IDF (Israel Defense Forces) is incapable of eradicating the intifadah (uprising). The response has been: The situation of "a la guerre comme a la guerre" does not apply here. We are actually conducting policing actions. As policemen the law is at our disposal, and it enables us, all in all, to prove the guilt of the accused and to imprison him." Mitzna' adds that "it can be said then, that this is their way. But it cannot be said that as long as there is no Israeli political decision they can organize as they wish, because I can say from experience that there is no demonstration or attempt to organize which does not entail some kind of violence. Therefore, as long as we have not decided otherwise, we must not allow the intifadah to develop, and we must not lose the daily control over a million Arab residents. We cannot play such experimental games as long as we don't have another answer for the situation. The problem is that they do not care what we are saying, because they prefer to know what we are doing. We also do not understand them very well. I therefore try to arrive at maximum clarity, because our behavior is often dependent upon them as well. I am not referring here to the individual soldier, but to the entire system. I wish to point out something which I said during the more difficult periods we have experienced: When I roam about the territories and talk with people at random, even in the detention facilities, I see the way in which communication is formed in a conversation; I see the sparkle in the eyes, not necessarily one of hatred; and I feel that there is hope, despite the conflicts and casualties and everything that has happened." Mitzna' also comments: "Who is involved in the intifadah? Those who grew up among us during the past 20 years. Therefore, we will have to live with them regardless of this or that political solution. They are among us, and we are among them. They are alongside us, and we are alongside them. I certainly believe that all these [aforementioned] encounters are important, particularly the effort not to cause excessive harm in this violent struggle, because unpleasant and even ugly things are being done in this war in order to win, while an acceptable price is paid. I am not determining at the moment whether the price we

are paying is acceptable, since in my opinion we have not yet paid the whole price. The effort is not always sufficient, but I believe that it exists."

Bar-Lev Says Capital Punishment Should Be Reconsidered

TA0607190189 Jerusalem TV in Hebrew
1800 GMT 6 Jul 89

[Interview with Police Affairs Minister Hayim Bar-Lev by party affairs correspondent Hanan 'Azran on 6 July, place not given—videotaped]

[Text] [Bar-Lev] No one disputes the fact that they deserve capital punishment. The question is whether it will deter them, and whether the execution of such terrorists might not lead the Arabs, or the extremist elements in the Arab world, to engage in actions that will actually foil our ability to carry out such penalties. After all, it is clear that this person, this murderer, was a kamikaze terrorist. He could not have predicted exactly what would happen to him once the bus plunged downhill. So we must consider things in light of the two angles: on the one hand, whether it will serve as a deterrence; and on the other hand, whether it might not put us in a situation in which we would find it difficult to actually do it.

[Azran] Mr Minister, when you say we should consider things, what more need happen for the leaders of this country to sit down and think about what should be done?

[Bar-Lev] Look, this proposal has undergone consideration several times. The law does not preclude capital punishment. The question is whether or not military prosecutors will be instructed to demand capital punishment. This matter was given some consideration previously, and the decision at the time was to refrain from instructing prosecutors to demand capital punishment.

In view of this attack, which is particularly grave, I think the issue must be brought up for rediscussion and be reviewed from all its aspects.

[Azran] Will you support this?

[Bar-Lev] I do not know. I must see the overall picture. Let us not forget that the Arabs can kidnap an Israeli or a Jew, and say: If you execute him, then we will execute that Israeli or Jew too. If that comes about, who knows what we will decide to do?

HA'ARETZ Analyzes Nature of Israeli-Palestinian Conflict

TA2770832

[Editorial Report] In the 21 July edition of the Tel Aviv Hebrew language daily HA'ARETZ, 'Uzi Ben-Ziman explains that "Without anyone noticing, the Israeli-Palestinian conflict is taking on the character of a

sweeping conflict, which is carrying away all the sons of the two peoples. Once again, it is not a clash between a minority of terrorists and IDF (Israel Defense Forces) and police units, but an all-out confrontation between two communities that do not get along with each other." Ben-Ziman continues: "Dr. Meron Benvenisti is the main proponent of the analysis that the character of this conflict is inter-communal. Benvenisti determines that it is not only the joint presence on the same piece of land that has caused changes in the two societies, has brought them to a mutual absorption of values and a converging of life styles to the point where the societies are inseparable. Benvenisti claims that the intifadah (uprising) would not have been possible if the Palestinians had not understood the democratic character of the State of Israel and the restrictions it imposes on itself in the use of force. They are familiar with Israeli concepts and live, to a great extent, our political way of life. They have adopted the means of democratic struggle that are acceptable to us, such as appeals to the press, the organizing of lobbies and the use of the media. This does not mean that they have assimilated these values, but that they are making use of these tools in their struggle against us. Moreover, their social mobility is enormous. For example, young Palestinians are taking the place of the traditional leadership, and in this way [Palestinian society] is imitating the processes that Israeli society is undergoing. Their standard of living has also risen. According to Benvenisti, the change is so deep that it is impossible to turn back the clock. Residents of the territories have also caused Israeli society to turn to the right and have caused the weakening of the left, since their hatred for the Jewish public has caused them to more clearly illustrate the threat hovering over the Jewish population." Benziman adds that Johns Hopkins Professor Fouad Ajami has discerned in the Palestinians the same flaw that Benvenisti has attributed to Israelis: "Avoiding calling things by their real name, repressing the true situation, and denying it. Ajami, who is of Lebanese-Shi'ite origin and today is an American citizen, was in Israel this week. He has become known as a scholar who has not been afraid to expose the weaknesses of Islam to the West. For this reason he is not liked by Muslims, and he is treated in a manner that is a bit reminiscent of the treatment given Salman Rushdie. Ajami said this week that the Palestinians also refuse to view their lives alongside the Israelis as an inter-communal conflict being conducted under Israeli rule. They cling to concepts like 'the Karamah operation,' 'the Lebanon War' and 'the intifadah,' and attach mythical significance to them. In practice, the Palestinians are under Israeli rule, and it seems that this situation will continue in the future as well."

JORDAN

Declines in Dinar Threaten Stability 44000586

[Editorial Report] On page 1 of the Hebrew language Israeli daily YEDI'OT AHARONOT, Ronny Shaked reports that the value of the Jordanian dinar yesterday

sank to a level that threatens the economic stability of the West Bank. The dinar sold yesterday for NIS 1.90, as compared to NIS 5.80 a year ago. On Monday, the price was NIS 2.30. The dinar's decline, a result of Jordan's economic malaise, caused panic yesterday in the money markets in the West Bank. The unified national leadership of the uprising has in recent months attempted to fight the decline by setting a rate of NIS 3.00 to the dinar, but despite threats, money changers and owners of businesses have not complied.

LEBANON

Michel 'Awn on Lebanese Situation

PM1107100089 Paris LE FIGARO in French
7 Jul 89 p 38

[Interview with Lebanese Christian Prime Minister General Michel 'Awn by Irina de Chikoff in B'abda—date not given]

[Excerpts] Beirut—[Introductory passage omitted]

[LE FIGARO] What is your view of the joint Franco-Soviet statement on Lebanon which President Mitterrand and President Gorbachev signed in Paris on Wednesday?

[General Michel 'Awn] The Franco-Soviet position is positive because it reaffirmed international support for the Arab initiative while stipulating a process of implementation beginning with the priority—the cease-fire which is constantly violated by Syria.

The most important thing is the two superpowers' assertion that they are continuing their efforts in the Security Council, and the recognition of Lebanon as an independent and sovereign country.

France and the Soviet Union recognize that Lebanon must play a full part in the community of nations, thus removing any ambiguity surrounding the protector's role which Syria would like to play.

[LE FIGARO] General, what do you think of the Arab League Committee's interventions?

[Gen Michel 'Awn] I do not expect much from them. All these doctors at Lebanon's bedside may have good intentions, but their diagnosis is bad. How could they administer the right remedy if they are mistaken about the illness?

[LE FIGARO] Everybody is wrong. Are you alone right?

[Gen Michel 'Awn] Well before the committee was formed, I sent many letters to the Arabs saying to them: "Do not interfere in Lebanon's internal affairs." This is not a family quarrel which will end in an embrace. We asked them to solve the real problem which is the country's occupation by the Syrians. What was their

reply? They spoke of reforms and elections. They tackled the results of the Lebanese crisis, not its causes. It is like trying to furnish a house which no longer has a roof or walls.

[LE FIGARO] Despite the victims [as published], do you not ever regret launching the liberation war?

[Gen Michel 'Awn] I did not choose the war, I chose the term "liberation." It is resistance, our resistance. In France you understand what this word means. Since September, the Syrians had introduced a series of economic, political, and military measures to put an end to my government. I will give you an example: the division of the army into two camps. They were planning an intra-Lebanese war. So, how could I have any regrets? Everybody said: It is madness. I was asked whether I had forces at least equal to if not superior to Syria's forces. That is a stupid question. A liberation war is always waged by the weaker against the stronger. If I were the stronger, I would not be suffering occupation. Our war is a response. I am resisting the Syrian desire to impose itself fully and finally on Lebanon.

[LE FIGARO] Not everybody agrees with you even in your own camp. Do you not think that you have launched into an adventure for which the population will pay too high a price?

[Gen Michel 'Awn] Who is against me? Look at this! [Awn ends]

Gen 'Awn picked up a glass ball. Inside, planted in some sand, was an Iraqi flag. He adjusted his spectacles and read: "The blood of 52,948 Iraqi soldiers was shed to purify the good earth of Al-Faw." The general received that gift from Iraqi President Saddam Husayn; he always keeps it on his desk. "War," he said, "is always atrocious. But here the losses are relatively limited. How many people died in the resistance in France? How many people have died in all liberation wars?"

Iraq has supplied you with arms. Are you not afraid that it may one day present its check?

[Gen Michel 'Awn] The support which I receive from Iraq is unconditional. I am the first to be surprised by it. Saddam Husayn is not asking me for anything in exchange. He is giving. The Iraqis are behaving very chivalrously toward me. It is true that Iraq is an Arab country which has a pan-Arab nationalist vision. So what? The Iraqis respect Lebanon's identity. I am not one of those who see danger where there is as yet none. I am a realist. [passage omitted]

[LE FIGARO] For the United States, the priority is not so much Lebanon as the settlement of the Israeli-Arab conflict. How can you hope to overcome the spiral of regional conflicts?

[Gen Michel 'Awn] Israel, Syria, and the United States formed a triangle, and Lebanon was inside that triangle. I broke out of it, I jumped out and I now form a new corner. There is now a square. I exist. If they want to calm the situation, they must recognize my right to life. I am still part of the regional context, and I am no longer anybody's pawn. I have taken a seat.

[LE FIGARO] How long can the Christian sector tolerate the blockade?

[Gen Michel 'Awn] When a people are determined to survive, they can resist indefinitely and contradict all predictions. At first, our existence was counted in hours. Now, 110 days have passed. [passage omitted]

[LE FIGARO] Are you not overestimating your strength?

[Gen Michel 'Awn] The Lebanese question was previously a dead question. We are now besieged and resisting. And the whole world can no longer pretend to ignore it. I can mass 20,000 Christian soldiers and 30,000 Muslim soldiers tomorrow. They are highly disciplined men. They form a real army which will impose order and respect for law.

[LE FIGARO] What relations do you have with Israel?

[Gen Michel 'Awn] I have no relations with Israel.

[LE FIGARO] What relations do you have with the Lebanese Forces?

[Gen Michel 'Awn] Very good relations. We certainly do not have the same objectives. They are fighting for a smaller Lebanon, a Christian enclave. I am fighting for a liberated, free, and multiconfessional Lebanon. But they do not know what they are doing. In 15 years of war, young people have not had time to study their own history. Through lack of education and political experience they are opting for a bad solution. What would be the fate of the Christians in the enclave? If the Christians' message is not one of tolerance, why would they live here? [passage omitted]

[LE FIGARO] Do you think that many people in West Beirut think like you?

[Gen Michel 'Awn] Yes, a lot. Even my political opponents want me to succeed. Even if I am an evil to them, I am now a necessary evil in order to get rid of the Syrians who have enslaved them. There are people who are resisting in all the communities.

[LE FIGARO] Are you not intoxicated with power?

[Gen Michel 'Awn] I am not seeking power. The Lebanese political class distrusts me. Politicians are always afraid of losing their prerogatives. I have explained to them that my ambition, if I have one, is different. I see

things on a grander scale. I want to liberate my country. I do not want to become the leader of any group. I am not a Third World putschist general.

[LE FIGARO] There is talk in Beirut of a new outbreak of violence. It is feared. What risks are there of the war being escalated?

[Gen Michel 'Awn] There is always a risk of exploitation. We are sitting talking and it could start today. This risk depends on the Syrians' action at sea. At present they are tightening the sea blockade. I do not like being stifled.

[LE FIGARO] Do you think that the Security Council will intervene in that case?

[Gen Michel 'Awn] It is possible. There are people who want to see me crushed and others who would not accept it.

[LE FIGARO] If Lebanon's fate depended on your departure, would you be prepared to stand down?

[Gen Michel 'Awn] I am a soldier, I am naive like all soldiers in the world, and I am risking my life for my country. Sacrificing a position is nothing. [passage omitted]

'Awn Gives Press Conference
NC1007175089 Beirut Radio in Arabic
1502 GMT 10 Jul 89

[Press conference by Prime Minister General Michel 'Awn at Ba'abda Presidential Palace on 10 July—recorded]

[Excerpts] ['Awn] I welcome you to the press conference today where I will put you in the picture of the current stage. There are friends among you from the British television Granada and I would like to tell them something very important.

['Awn in English] Ladies and gentlemen: I want you to know that yesterday the Syrian Navy committed an act of piracy in Lebanese territorial waters and kidnapped, and now hold hostage, six Lebanese civilian citizens. So we now have Lebanese hostages in Syria, like Terry Waite and like McCarthy and like many other European people.

['Awn in Arabic] Now we continue in Arabic. Certainly there are several political and national questions circulating in society that need to be answered. I rely on you to bring these questions to me so that I can answer you according to the information we have, whether about the Arab Committee work, the blockade, or other pending queries which we are ready to answer. A few days ago, the blockade was further consolidated with the deployment of the Syrian Navy off the Lebanese coast. The acts of piracy committed in territorial and international

waters continue daily, and the list is long. We are awaiting the outcome of the endeavors at the international level. I am ready to discuss all these topics with you. Go ahead.

[Reporter] Mr Prime Minister, observers think another flareup or volcano will erupt. How serious are reports of a possible confrontation between the Lebanese Army and the Syrian warships? What is the truth about what is taking place off the coast? What is the extent of your preparations and what is the rate of possibilities? Are we headed for a political solution or is there no escape from a confrontation?

['Awn] What is happening at sea is acts of piracy, mostly in international waters. Syrian warships did intercept international shipping in international waters. Naturally, the Syrians intercept ships sailing to Lebanese ports. This is not only our responsibility, but an international responsibility. It is not our responsibility to protect a ship flying a Greek, French, Maltese, or Italian flag in international waters. There is international responsibility and there are laws applicable to intercepting forces. We are apprising the United Nations about this issue and have notified the Arab League General Secretariat. This issue is outside the framework of the Lebanese-Syrian conflict. Surely the Syrian ships are intercepting ships carrying supplies to Lebanon. These are acts of aggression against international navigation and its freedom. As for the possibility of confrontation, we have no capability [changes thought]... we have no intention of confrontation. But having no intention of confrontation does not mean that we have no intention of not defending ourselves.

When the issue seriously arises, everything will be possible. Any means at our disposal would be used. As to these specific means, we will not disclose them now.

[Reporter] Mr Prime Minister, we all know that the war broke out in 1975. In 1976, in the era of President Franjiyah [passage indistinct]

['Awn] These are excuses to cover up or complete the plot against Lebanon. By merely talking this way, I disturb many people, because I am disclosing a foreign plot against Lebanon. They always said that, but the plots never ended when there was a change of presidents. They used to say that they did not know what the Lebanese people wanted. We told them what the Lebanese wanted, but they rejected it, asking how we dared say what the Lebanese wanted. They said that we agree and we did agree. We do not want foreign custodianship on our land. We want to liberate our land and we can guarantee the security of our neighbors and to reach political understanding with them but on the basis of equality and fraternity and in accordance with international and regional norms. They assail this stand. It seems they want us to be sheep in this game and slaughtered and then thank the slaughterer because his knife did not hurt. That is, tell him he was good for

sharpening the knife well enough to slaughter us without pain. This is the logic we are dealing with these days. Should we frankly tell this to society? They say this is rude and not diplomatic.

These are deceptions. The missiles issue is one of these deceptions to mislead public opinion and continue the plot against Lebanon. The awareness of Lebanese society obstructed the continuation of the plot. This is what has disturbed, disturbs, and will continue to disturb everyone. We are not hiding behind words but we point a finger at things and call them by their names.

[Reporter] What stage has the mediation of Lakhdar Ibrahim in Lebanon reached?

[Awn] Lakhdar Ibrahim has brought a point of view. We have approved the tripartite committee's resolutions unconditionally and unreservedly. Lakhdar Ibrahim brought Syrian conditions with him. We told him: No, brother. We did not attend the Arab Committee's meetings, summit meeting, or the Arab foreign ministers meeting. Despite this, we have always approved their resolutions. Each time you go to Damascus and come back you bring with you Syrian conditions. We approve the Arab resolutions but not the Syrian conditions. Syria participates in issuing the resolutions and gives a positive character to its statements, saying that it approves these resolutions. However, it obstructs all efforts and implements nothing on the ground. There is a frank resolution providing for lifting the blockade, ceasing fire, and opening the crossing points. Syria does not abide by this resolution in any form. In view of the continuing retreat in favor of Syria, we have no choice but to stand fast and resist. It is Syria which lays the obstacles.

[Reporter] Could you tell us the new Syrian conditions and your stand on them?

[Awn] The Syrians demand supervision of the weapons entering the eastern area. This is rejected because it undermines sovereignty and the legitimate right of self-defense. There are no guarantees for us other than the word of honor which the Syrians promise. I am prepared to agree to this condition provided the Syrians withdraw from Lebanon. There is a reason for our acquisition of arms. If the Israelis and Syrians withdraw from Lebanon, I will not increase but rather reduce the quantity of arms in our position. For them to eat Lebanon a bite at a time and deprive us of our right of defense would mean that they are making it easy for them to swallow Lebanon. This is rejected.

[Reporter] There is much talk now about the missiles issue. Have you truly received missiles or is this issue being raised in a vague manner to serve as a form of pressure at the negotiation table.

[Awn] This is the wrong issue. It is similar to what has been suggested about shortening the elections period by 2 months or getting rid of a certain person to solve the

problem. This issue is being raised in the wrong way. As to whether we have missiles or not, let them find out for themselves. If they want to play a game of bridge and know if the ace is above or under their hand, then let them begin the game. I will not tell you if we have missiles or not. Furthermore, in what capacity and what logic has the Frog missile come to constitute a danger to Syria which has SS-21 missiles, Scud and Frog missiles, and hundreds of MIG planes? This is basically wrong. It is an excuse to impede the solution.

The same is true of those singing the same tune in the West, who say this is a serious and important matter and who exaggerate it a bit more. These are among the states that approve of this policy and hide behind this issue as a pretext in order not to have to shoulder responsibility. One day they claim there is nothing they can do, another day they say the Frog issue is a deadly sin that, if introduced, could aggravate the situation. Yesterday they were saying there was nothing they could do, so how can they say today this could aggravate the situation? They show concern for Damascus' security, for instance, from the Frog missiles. Let me ask the entire world: When has a Lebanese shell ever been fired at Damascus, Banyas, or Latakia? When has a Lebanese rocket ever hit a military or civilian building in any Arab neighboring state? Have our ships ever besieged coastal cities in the north or the south? Is it our destiny to be an easy morsel? The matter has become an international farce and an object of ridicule especially coming from people dressed up and who say it in solemn and serious tones. We have seen plays in the world before but never so comic, and yet appearing so serious. [words indistinct] the liberation process so that we can conduct a dialogue in a free atmosphere. This is because there can be no dialogue without freedom. Without freedom there is coercion. There can be no dialogue under occupation, because occupation is the contradiction of freedom. Therefore, preparations must be made for dialogue, but first there must be liberation. [passage omitted]

[Reporter] Mr Prime Minister, whether Frog missiles were received or not and whether these weapons came from Iraq or not, one thing is sure. The Lebanese Army received weapons it did not have before. Are these weapons for the purpose of establishing a sort of balance of power in Lebanon or are you afraid of a big battle which may require all these weapons?

[Awn] It is not correct to say that no comparable weapons have arrived in Lebanon. The weapons we already have are technologically superior to the weapons which have arrived. It is wrong to say that no comparable weapons have arrived. However, after every battle, one compensates for the things which one spends in order to maintain full reserve for another battle. With this understanding we brought the weapons and ammunition which we have. [entire passage as heard]

[Reporter] Is it possible to learn the response of the five big powers [words indistinct] and how do you explain the international silence [words indistinct]?

[Awn] You must not forget that the five big powers and the rest of the international community support the Arab Committee's efforts to solve the Lebanese problem. They are now in a state of wait-and-see while the committee is working to solve this problem. These states do not intervene. They are following the developments. We keep them informed of developments. One cannot ask them to adopt an immediate position and reaction. [passage omitted]

[Reporter] Regarding Ibrahimi's mission, the citizens and everyone else are waiting. Is there a specific deadline? [passage omitted]

[Awn] We cannot say that we will wait forever. We are dealing with kings and presidents. They are responsible people who are aware of the urgency of the situation in Lebanon and the need for a quick solution, especially the blockade, attacks, piracy, and other actions contrary to the Arab League and the United Nations Charters. They are aware of this, and are devoting all their time. We thank them for this. The mission is not limited by time and place, but we must give them the chance. Their work is every thorny. After an hour of negotiations here, Ibrahimi leaves with clear and simple ideas. But it takes Damascus months to move 1 centimeter. They know that the complication and the problem do not stem from us. The problem is from Damascus, from the Syrian regime which does not want to solve the problem. We want to give the Arab brothers a chance to solve it, because it is complicated. [passage indistinct]

[Awn] No. We are absolutely not planning for a battle. We are providing a satisfactory atmosphere for the continuation of fraternal Arab efforts. It is the Syrian side which creates the escalatory and abortive atmosphere. We are providing an opportunity for all the world to see the obstacles the Syrians are placing in the way of these solutions. Undoubtedly, the world will react. The frequent attacks against the Lebanese people and international navigation in territorial waters will elicit reactions.

[British television reporter in English] Following your latest talks with the Arab League, how do you view the prospects of peace in Lebanon?

[Awn in English] Well, it is very complicated problem and so we have to be patient and to give chances to the tripartite committee to work on with all their possibility, with all their moral influence on Syria. The most difficult part of the [word indistinct] is to convince Syria to withdraw from Lebanon.

[Reporter in English] And how would you bring that about?

[Awn in English] Well, we have to be a little bit patient, you know, with the Arabs because they are really deploying all their efforts to do their best for that. Then if they

have to quit or to give up, it will [be] because of Syria. I can't say if they have got big chance to get along with or not. I can't say but we have to give them the chance.

[Reporter in English] What do you expect from the international community to try and help bring peace?

[Awn in English] Well, to reinforce the implementation of international laws, of international conventions, and international resolutions.

[Reporter] We are facing three problems in fact. They are the problem of liberation, blockade, Frog missiles, and the international stands. [words indistinct] We are searching for an exit but we cannot find it. How do you view the exit?

[Awn] First, we are facing one battle which is the battle for liberation. There is no battle of blockade or battle of the Frog. All these are diversions. The battle is that for liberation. Defense is the beginning of liberation. The defense stage is part of the liberation battle. We stopped the incursion. Do not forget that it was Syrian artillery which first opened fire on 14 March. We exercised the legitimate right of self-defense. We said that this is a battle for liberation because the battle of the strong against the weak was imposed on us. We and not Syria are the weak party in the battle. Let no one change the roles. Therefore, it is one battle. The battle of defense first and liberation next are inseparable. How do we exit from the impasse? It is not I who wants out of the impasse. I am in my country and I am defending myself. The question is, how will the occupier emerge from the impasse. There is absolutely no impasse as far as we are concerned. There is a psychological state, which is being somewhat exaggerated because the Lebanese hears much propaganda daily. However, it is not we who will be startled.

[Awn continues] If we consider the political aspect of the Lebanese problem and where it was and where it is today, we will find that it was dead and out of the limelight and now it is mentioned in the resolutions of all bilateral and multilateral summit meetings. Every summit meeting discusses the Lebanese issue. This constitutes a victory. On the economic level, I waged a difficult battle involving a blockade, expenses, and so forth, and still our currency maintains its purchasing power. On the military level, we reinforced our military strength. We have strengthened our position in the three sectors on which the state is founded.

There are definitely some sacrifices and losses in the private sector. But can a liberation battle take place without losses? We are not inviting people for cocktails; we are inviting them to a war in which we want to liberate our country from the forces of occupation. Losses are bound to take place. We see the situation in a

completely different perspective than that painted by the information media and the propaganda—namely that we are in a crisis. We are not a crisis. The occupier is in a crisis.

[Reporter] We are proceeding toward a settlement. The big powers are searching for a settlement, [words indistinct]. What is your position regarding the status quo and the proposed settlement?

[Awn] At any rate, there is no status quo. This is a dynamic issue which will continue to move. It will not stop. It started not in order to stop. It may draw other issues with it. This is welcome. But it will not be halted by other issues. How? I will not tell you. You will see in the future. [applause] [passage omitted]

[Reporter] There are three Arab ministers whose only job seems to be shuttling back and forth for the sake of Lebanon, stating their countries' foreign policy. [words indistinct] Mr Ibrahim returns from Damascus after a long absence with Syrian conditions. In addition, a statement was issued by the so-called National Front in Damascus on reopening the crossing points. One of the ministers, Minister Filali, yesterday said reopening the crossing points is one of the results of the Arab Committee's work. How do you view this contradictory issue?

[Awn] I believe the tripartite committee has a bigger role to play than just reopening the crossings. We appreciate the committee efforts in this respect, but I believe its role is much bigger. The issue of lifting the siege, reopening the crossing points, and observing the cease-fire should not have been a source of dispute and should have been implemented right from the first moment without interruption, and I believe there is more to the committee work than this.

[Reporter] Mr Prime Minister: It is noticed that there is restraint in the security situation. Despite the failure or lack of progress in Ibrahim's mission, the security situation is governed by restraint; that is, there is only slight deterioration in the security situation. What is the nature of this restraint and who is behind it?

[Awn] There is restraint, and this is not a secret. It is just that no one so far wants to aggravate things. It will take only one of the two parties to escalate things and thus aggravate the situation. There cannot be any (?restraint) as long as there is no cease-fire and as long as the Syrians do not observe the cease-fire. We are the ones who are restraining the situation. [passage omitted]

[Reporter] The media today spoke of an invitation to the Chamber deputies to meet abroad. What is your position on this issue?

[Awn] As you know, my position on this issue is clear-cut. However, I will not prevent any one by force from doing a certain thing. I believe the deputies have enough political experience in the Lebanese crisis, and in

the Lebanese people they represent, for them to make up their minds and act according to their experience, beliefs, and the people they represent. I will not impose my decision on any one. Whether I am for or against a decision does not mean I will impose my beliefs on it.

[Reporter] But you are against reforms.

[Awn] Who said that? The question is, who wants reforms? We all support reforms.

[Reporter] If the Arab efforts fail, are we going to try the military option for liberation? Are we going to resort to the Western countries to try to resolve the Lebanese issue?

[Awn] We are not in favor of that. Our first and foremost objective is liberation. We will use diplomatic, military, and other means to achieve this goal. I do not want to talk about the failure of the Arab Committee. Let the committee results speak for themselves. Whenever I talk about a probability, they say that I wish it would happen. I wish the committee success. Should there be something other than success, the Arab Committee will say it and perhaps will follow up the matter at other forums.

[Reporter] Mr Prime Minister, Syria uses the pretext that you compare it with Israel in order to reject withdrawal from Lebanon. Are there international [words indistinct] contacts to pressure Israel to withdraw from the border strip?

[Awn] I think that the Arab states have made an attempt through their foreign ministers. They have the answers. I have not been informed of them. I already said that there is an understanding between Israel and Syria. Since I was born I had not seen a Syrian war vessel reach the area off the suburb. Today we see them patrolling the area. I pose the question to all those who engaged, are engaging, and will engage in Lebanese politics and to the residents of the Southern Suburb and West Beirut and the world: Who controls navigation here on the Lebanese coast, and how did the Syrian vessels get here? Did they get here without prior understanding and permission? No one should use the pretext of Israel or any other. An understanding exists between Syria and Israel. We are always accused of zionism. Enough of such language. Scoundrels should not use us as an excuse. [passage omitted]

[Reporter] Mr Prime Minister, it is known that the Lebanese problem is connected in one way or the other with the Middle East problem, that is, the Palestinian problem, and its solution might require a settlement of the Palestinian problem. Are the obstacles standing in the way of a solution to the Lebanese problem the same as those in the way of a Middle East solution? What is the link between the two problems?

[Awn] When did the Lebanese problem emerge? The Lebanese problem emerged when the Palestinian action escalated in Lebanon, and Israel claimed that its security is being threatened from Lebanon. Israel subsequently intervened in Lebanon. Syria later claimed that its security is being threatened from Lebanon, and it intervened in Lebanon. Two regional forces intervened in the Lebanese crisis. Now the Palestinians no longer constitute a threat to Israel's security from Lebanon. Therefore, based on their claims, the Syrian and Israeli presence in Lebanon must recede.

It makes no difference to us who withdraws first. What is important is a withdrawal. If Syria is really interested in Lebanon's security, as it claims, then it must withdraw first to serve Lebanon's interests because we are brothers. Syria gets offended when we equate it with Israel. It does not accept equality with Israel but it wants to put more burdens on us than Israel. If Syrian withdrawal from Lebanon would lead to the Israeli withdrawal, why then does not Syria withdraw? If we and Syria are brothers, should we expect help from the enemies? Syria must start the aid to us and it must not stipulate that Israel must withdraw first. It must back Israel into a corner by withdrawing first and then say: I have withdrawn and Israel must withdraw from Lebanon. However, the contrary is happening. When Israel is backed into a corner, Syria's presence provides a justification for Israel's continued presence and vice versa. Let us finish this game. What we say now is disturbing to international policy. They [the Syrians] say that this is uncouth talk to which they are not accustomed. As we said at the beginning of our talk, we are required to thank them for slapping, massacring, and killing us. We are not permitted to protest.

[Reporter] When you launched the battle for liberation, you spoke about liberation from Syria alone and you did not refer to Israel. Later, you redressed the matter and referred to both. What do you say to this?

[Awn] To be practical, what is the pressure exerted on me currently? What is the stifling pressure exerted on Lebanon? Is it the Israeli or the Syrian pressure? I will answer this question and no more. A person seeks to remove the direct pressure on him first. He does not search for the indirect pressure. [passage omitted]

[Reporter] Mr Prime Minister, ambiguity has been noticed in the U.S. position on the blockade. The United States has not taken a clear stand on the blockade, nor has the U.S. ambassador in Lebanon. Is the United States trying to exploit the blockade or is the U.S. position a sort of indirect acceptance of the blockade to achieve certain goals in the Middle East?

[Awn] We cannot say, as long as they call for lifting the blockade. As I have already said, in reply to a question, the big powers support the Arab initiative. It cannot support it and intervene in it; support it and let the initiative take its time. In the event of failure, we will

then be able to discover the dimensions of the U.S. position—whether it is advisory or has a real effect on land and sea. [passage omitted]

[Reporter] Mr Prime Minister, a few days ago Washington conveyed to you its concern over Syria's security as result of the presence of the Frog missiles in your possession. Has the United States conveyed to Syrian officials its concern over Lebanon and the Lebanese as a result of the intensified blockade, the 240-mm shells, and [words indistinct]?

[Awn] I do not know whether it indeed conveyed such a thing to Syria.

[Reporter] Did it convey its concern to you?

[Awn] Some of the things which cause contemplation is that the world is always concerned about the butcher and not the victim.

[Reporter] Mr Prime Minister, [words indistinct] very important thing, according to the Egyptian press. But more important is that Egypt has established an axis with Jordan, Iraq, and Yemen. Will the restoration of relations make Lebanon a candidate for joining this axis in the future?

[Awn] If there is a common interest, why not. [passage omitted]

[Reporter] Mr Prime Minister, what are the possibilities of a military confrontation at sea. Is there a red line which, if reached by the Syrians, will cause a military confrontation?

[Awn] No. They will certainly be the ones to start. They have already started, anyway.

[Reporter] Is there a specific red line?

[Awn] There are no red lines. There are positions. [passage omitted on economic issues]

[Reporter] [Words indistinct] The overland crossings. [words indistinct]

[Awn] The overland crossings are not operating correctly. There should be no restrictions. As it is now, there are many restrictions at the crossings. There is kidnapping. Military men are being stopped and cannot cross. Supplies are not being allowed to pass. The partial opening is a sort of deception. Regarding the Beirut Airport, who is going to open it?

[Reporter] They need a guarantee to reopen it. There is a decision to reopen it, but they want a guarantee that it will not be hit.

[Awn] There is a decision to reopen Beirut Port. When an airplane lands, a ship enters Beirut port. OK? Will this be all right? Simultaneously. [passage omitted]

QATAR

Royal Decree on GCC Industrial Products Issued 44040410a Doha AL-'ARAB in Arabic 4 Apr 89 p 5

[Article: "Royal Decree on the Uniform System for the Protection of National Industrial Output in GCC States"]

[Excerpts] His Royal Highness Shaykh Khalifah ibn-Hamad Al-Thani, Emir of the land, yesterday issued a decree on the Uniform System for the Protection of National Industrial Output in Arab Gulf Cooperation Council (GCC) states.

We, Khalifah ibn Hamad Al-Thani, the Emir of Qatar,

Having reviewed the amended temporary basic system, and especially articles 23, 34, and 51; [passage omitted]

The following is decreed:

Article I

The following definitions shall prevail whenever this law is applied, unless otherwise indicated.

A. National Industrial Output is such that citizens of member countries own at least 51 percent of the producing institution, and that production in one or more GCC states adds value of at least 41 percent of final value

B. Protectionism is such that one or more of the following applications is involved:

- Customs Duties. Import duties are levied according to volume of the import, its value, or both
- In case of dumping, protectionist measures may include, in addition to the above, import restrictions, embargoes, or any other method proposed by the Protection Commission

C. The Protection Commission is to be entrusted with protecting industry of national origin in GCC states. Its members, representing each of the member states, shall be specialists in finance and industry or any other endeavor seen fit by the state

Article II

The protection of national industrial output has the following objectives:

A. Promote the competitiveness of national industrial output in face of unfair competition by foreign industrial output such as by dumping and the use of substandard components

B. Guide investments and other resources towards industrial output that conforms to the priorities of domestic or complementary industrialization programs

C. Provide emerging national industries with an opportunity to gain the experience as well as the technical, managerial, and marketing skills necessary to reduce costs of production and distribution to help them compete with more experienced foreign industries.

D. Promote the utilization of resources to supply the needs of GCC markets

E. Encourage and promote trade among GCC states in national industrial products

Article III

Measures for the protection of national industrial output are temporary by nature.

Article IV

Protection is denied any national industrial output that does not meet the needs of GCC markets to a degree to be determined by the Protection Commission for each individual producer in accordance with its production and distribution circumstances.

Article V

Protection is denied any national industrial output that does not meet the uniform standards adopted by the Standards and Measures Organization of GCC States, if any, or the domestic and international standards recognized and accepted by the protecting authority

Article VI

Protectors shall keep the interests of consumers in mind and shall minimize the negative effects of protectionism. No industrial output shall be protected unless it is of national origin in accordance with Article IA of this decree.

Article VII

The minister of industry and agriculture and the minister of finance and petroleum shall each name one or more of his ministry employees to membership in the Protection Commission whose creation and competence are stipulated in Articles VII to XII of the Uniform System for the Protection of National Industrial Output of GCC States as adopted by the GCC Supreme Council at its aforementioned ninth session.

Article VIII

The Industrial Development Commission, created under the aforementioned Industrial Organization Law No 11 for 1980, shall identify national industries in need of protection and submit its recommendations in that

regard to the minister of industry and agriculture. The minister, in turn, shall bring the matter to the attention of the council of ministers which is to decide whether requests for the protection of national industry shall be referred to the GCC secretariat for inclusion in the agenda of the Protection Commission.

Article IX

The Industrial Development Commission shall study requests submitted to the Protection Commission by the rest of the GCC states for the protection of certain of their industrial output. The commission shall make recommendations on these requests to the minister of industry and agriculture. The minister, in turn, shall bring the matter to the attention of the council of ministers for appropriate action before the Protection Commission issues its recommendations.

Article X

Protectionist decisions issued by the GCC Committee on Fiscal and Economic Cooperation shall be enforceable two months after issue, unless otherwise stated.

Article XI

No industry protected under this decree shall raise prices of protected output beyond a reasonable level

Article XII

An establishment requesting protection must allow representatives of the authority designated by the Protection Commission access to all pertinent data at its headquarters or any other site it may maintain.

Article XIII

An establishment whose output is protected must, for the duration of protection, maintain protected product quality in accordance with the standards and measures recognized and accepted by the Protection Commission and must allow the commission to verify that.

Article XIV

An establishment enjoying protection must strive to improve productivity and reduce costs and must abide by its sales contracts.

Article XV

Protective duties shall not exceed 25 percent of product value at the port of entry, or the value established by the Protection Commission. Instances of dumping shall be individually handled by the commission in appropriate fashion.

Article XVI

While protection applies, no licenses shall be issued for the manufacture of products protected under this decree unless they have economic merit, meet all regular licensing requirements, and also qualify as output of national origin.

Article XVII

Products manufactured in the free zones of GCC member states do not qualify under this law as industrial output of national origin.

Article XVIII

The Committee on Fiscal and Economic Cooperation has the right to interpret and amend the System and notify the State of Qatar of its decisions in order to deal with them legislatively.

The ministries of industry and agriculture and of finance and petroleum are to consult with each other and study any proposed amendments. The conclusions of their study, accompanied by their recommendations, shall be submitted by the ministry of finance and petroleum to the council of ministers for action before the amendments are approved by the Committee on Fiscal and Economic Cooperation.

Article XIX

The rulings of this decree shall supersede any others.

Article XX

This law shall be published in the official gazette and shall be enforceable as of 1 Apr 89 by all concerned authorities, each within its own area of competence.

Issued at Doha Palace on 27/8/1409 Hijrah, corresponding to 3/4/1989.

(Signed) Khalifah ibn-Hamad Al-Thani Emir of the State of Qatar

Petroleum Official Discusses OPEC, GCC Production Quotas

44040478b Doha AL-RAYAH in Arabic 4 Jun 89 p 3

[Interview with Dr Jabir 'Abd-al-Hadi al-Mari, General Director of Qatari Public Petroleum Organization, by Siddiq al-Zayn; "General Director of Qatari Public Petroleum Organization to AL-RAYAH: We Are Optimistic That Resolutions Will Be Issued to Confront Developments in Oil Market"]

[Excerpt] [Passage omitted] Before the OPEC meetings start, AL-RAYAH conducted this interview with Dr Jabir 'Abd-al-Hadi al-Mari, the general director of the Qatari Public Petroleum Organization, to explore his opinion as a Qatari official closely observing what goes

on in the inner sanctum of the oil market. What has he said about his expectations from the OPEC meetings and the position of Qatar's oil production and marketing? What has he said about the progress of work in the North Field now that 23 months have passed since the start of implementation of the first phase?

These questions are answered in the text of the interview.

[AL-RAYAH] What is your comment on the OPEC meeting which will begin tomorrow in light of the oil market developments since the meeting held in Vienna at the end of last year?

[Al-Mari] Since the meeting the OPEC members held in Vienna last November, the oil market has undergone a positive development which has contributed effectively and promptly to restoring stability to the market and price conditions. This meeting produced a new agreement on production quotas and settled the dispute between Iraq and Iran whereby they accepted equal quotas of 2.64 million barrels daily. In accordance with this agreement, OPEC's average production rose from 17.5 million to 18.5 million barrels daily as of the beginning of January 1989. Also in accordance with this agreement, Qatar's quota increased from 299,000 to 312,000 barrels daily.

This agreement has improved the market conditions and bolstered the oil market's stability as a result of the OPEC members' adherence to their production quotas and of the restored balance between supply and demand. The prices rose gradually, exceeding last March the price targeted for OPEC's oil, amounting to \$18 per barrel. Prices had not risen to such a level since August 1987.

Stability Elements

In addition to the OPEC members' adherence to the quotas allocated them at that meeting, the following elements have helped bolster stability in the oil market and increase demand and prices:

- Agreement among oil-exporting countries from outside the OPEC to reduce their production levels by five percent (i.e. by 190,000-230,000 barrels daily) in solidarity with the OPEC members and as a contribution on their part to bolstering market stability.
- The drop in the level of the store in the United States and in the main oil-consuming countries.
- The drop in the level of production from the North Sea and from the Alaska oilfields due to unforeseen technical reasons.

Studying Markets

Dr al-Mari stated that the meeting which convenes tomorrow is to study the market and the supply and demand conditions and to examine the possibility of

increasing the quotas or maintaining them at their current level. The estimates indicate an increase in demand for OPEC oil in the past 2 months because of the rising growth rate in the industrial countries which has led to an increase of two percent (nearly one million barrels daily) in world oil consumption. This is in addition to the temporary drop in production from the North Sea and to the decrease of the world oil store to 20 million barrels.

Dr al-Mari expects the OPEC to adopt at this meeting resolutions to confront new developments in the oil market and to bolster and perpetuate the oil market's stability. We are optimistic about the wise resolutions which will be produced by this meeting and which will secure the members' short and long-range interests.

Qatari Production

[AL-RAYAH] What is the position regarding the Qatari oil production and regarding the international agreements to market the country's production in the current and future phases? Will new contracts be executed shortly to market Qatar's oil production?

[Al-Mari] In its capacity as an OPEC member, the State of Qatar adheres to the production quota allocated to it by the OPEC meeting which convened in November 1988. It is well-known that average production varies from day to day and from month to month, depending on export schedules, tanker loading and other technical factors.

As for agreements on marketing Qatar's oil, they are concluded with international oil firms that are well known in the oil industry. The agreements range in duration from 1-3 years and are renewable for further periods on which agreement is reached in accordance with terms that regulate the contractual relationship between the seller and the buyer, that seek to serve the joint interests of both parties and that are compatible with the terms observed by other exporting countries in the region.

The contracts for selling Qatar's oil are divided among the world's main oil consumption markets, such as the Japanese, Asian, European and Latin American markets. To Qatar, the most important market is the Japanese market whose share amounted to 66 percent of Qatar's 1988 exports, followed by Singapore with a 10 percent share and Brazil with an 8 percent share.

Sale contracts are often continued with the same major firms without change. As for concluding new contracts, this depends fundamentally on the contracts currently in force.

Gulf Coordination

[AL-RAYAH] What role does coordination among the GCC [Gulf Cooperation Council] national oil corporations play in bolstering the oil market stability?

[Al-Mari] The GCC member states' production amounts to nearly 40 percent of OPEC's total production. Therefore, these states play an important and influential role in bolstering the oil market stability through coordination among their national corporations.

Supporting and bolstering the oil market stability is one of the main objectives of this coordination. This stability contributes, in turn, to preserving the continuity of the main source of these states' revenues. This coordination is developing daily in the direction of achieving the common interests of the GCC member states. Through the current framework of coordination among the GCC member states, information and data are also exchanged on the oil market conditions and the conditions of the consuming countries and of the oil-importing companies. The impact of this data on the member states' plans is analyzed, the developments and problems facing the oil market are examined, opinions are exchanged on them and solutions and policies are proposed to achieve the member states' common interests and to spare them harmful competition among themselves.

We aspire to greater coordination among the national corporations in a manner that secures the member states' objectives and serves their interests.

Twenty Three Months

[AL-RAYAH] How is the work to exploit the North Field progressing and what are the new developments in the project's implementation phases?

[Al-Mari] The work to implement the first phase of the project to develop the North Field's capacity by 800 million cubic feet daily is progressing well within the estimated costs and in accordance with the timetable. Implementation work will be completed by the end of 1990.

Twenty three months after the start of implementation, a large part of the project has been completed, including the processing, construction and engineering works and the purchase of the urgently needed materials and equipment. It is worth noting here that work throughout the main part of the first year of implementation focused on drawing up the engineering blueprints and the tenders, on awarding the executive contracts and on purchase activities. Second, more than 80 percent of the engineering works have been completed so far, all the major executive contracts, amounting to 24 contracts, have been awarded and nearly all the purchase orders, in addition to well-drilling work, have been completed.

Al-Mari pointed out that work at the project sites is proceeding actively. In Umm Sa'id, all the installations supporting the construction work have been completed and the contractors have begun building the installations and facilities for separating and treating the gas, the liquids, and their byproducts.

At the marine production station, work was begun in August 1988 to drill 16 production wells. Two of the wells and nearly 45 percent of the total drilling work has been completed. Prior to the drilling activities, 2 drilling platforms were manufactured and installed last July. Work is currently underway to manufacture the other marine installations, which include 4 platforms, 7 bridges and 2 bridge supports, at the dockyards belonging to contractors in several places outside the country. The manufacturing work is expected to be completed by the end of this year and installation work at the site is expected to begin at the start of next year.

The contractor building the land and sea (pipelines) has begun the work necessary to dig the routes these pipelines will take. Meanwhile, work is underway to case and paint the piping which the factories started delivering last February.

Increase In Exports of Crude Oil Derivatives Reported

44040413 Muscat 'UMAN in Arabic 3 Apr 89 p 17

[Text] Qatar produced crude oil at the rate of 340,000 bpd in 1988, an increase of 16 percent over 1987. Exports in 1988, at the rate of 306,000 bpd, were 20.4 percent increase higher than the previous year, according to a report released in Doha.

The production of associated natural gases, according to the report, increased by 15 percent to 257 million cubic feet per day. The country also produced 562,800 cubic meters of liquified propane and butane.

Last year's output of refined petroleum products was 1,825,300 metric tons. Local consumption was calculated at 541,500 metric tons.

Exports of high grade gasoline and aviation fuel began in June, 1988 following completion of two pipelines to carry export products from the refinery to shipping pier number 6 at Umm-Sa'id.

The report said of chemical fertilizers that ammonia production increased by 8 percent last year to 734,700 metric tons. Urea production also increased by 6 percent to 779,500 metric tons.

The report also gave the following production figures for petrochemicals: ethylene, 256,500 metric tons; low density polyethylene, 170,700 metric tons; and sulphur, 36,900 metric tons. It mentioned that in view of the expected abundance of gas resources in 1990 when the North Field gas project is completed, feasibility studies

are underway to determine whether to expand production at the Qatar Company for Chemical Fertilizers and the Qatar Company for Petrochemicals.

The report also announced that a project to export and distribute petroleum products has been successfully completed and its components, equipment, and systems have undergone thorough testing. The project encompassed the following:

First, provisions for the export of petroleum products. Facilities have already been completed at the Umm Sa'id refinery and pier number 6 at Umm-Sa'id port for the export of heavy and light petroleum products. If necessary, the facilities are also capable of receiving imports of light petroleum products.

Second, provisions for the domestic distribution of petroleum products. These include facilities for the transport of light petroleum products for domestic consumption from storage tanks at the Umm-Sa'id refinery to Abu-Hamur, west of Doha, via a 42-kilometer pipeline. The latest computer technology is utilized for system controls, according to the report. Care was also exercised to assure safety, security, and environmental protection.

The report said that the Qatar General Petroleum Organization has supervised all aspects of the project in cooperation with the National Oil Distribution Company which operates those facilities in Umm-Sa'id and Abu-Hamur.

As to facilities already completed at the North Field gas project, the report said the field will have a capacity of 800 million cubic feet per day on completion of the first stage of development, which was begun 20 months ago. The project is enormous by all standards with respect to the number of its installations, its geographic coverage on sea and land, and its startup costs.

The report added that the project is vital to the country because it will produce the gas necessary to generate electricity and fuel existing industries. The first stage will also produce hydrocarbon liquids that will provide the treasury with additional revenues. Gas in surplus of local consumption will be used to fuel new industries such as cement and petrochemicals.

The report emphasized that implementation of the first stage has been proceeding well according to schedule and within budget. Almost seventy percent of design and implementation work has already been completed and contracts have been let for more than 90 percent of project costs.

The report explained that work is proceeding to construct installations and equipment for the project. Two well platforms have already been manufactured and installed. Survey work and certain buildings have also been completed.

SUDAN

Officials, Others Analyze Motives Behind Coup

45040415 London AL-MAJALLAH in Arabic

5 Jul 89 pp 18-21

[Article by Nura Fakhuri: "What Is Happening in Sudan?"]

[Excerpts] [Passage Omitted]

Reasons and Aspirations

In the face of any military movement that topples a democratic civilian regime, regardless of its dimensions, the question that must be asked is: Why?

In the case of Sudan, the answer may be spontaneous. A member of the Lawyers Union Council and an examiner has summed up this spontaneity, saying: "There is no alternative to democracy. This feeling is absolute among the Sudanese. But the political, economic, security and partisan anarchy that has damaged Sudan can be ended only with force, and I mean the force of authority, not the force of weapons. There has to be a capable authority that holds the reins and ends the lack of restraint prevailing in the country. The only authority that is still alive and that is prepared to stand with this country's people is the army." This source has added: "It may seem that the army staged this coup on its own, but it will receive popular support because the Sudanese people are tired of anarchy."

As for the reasons leading to the coup, the source said: "The army issued al-Sadiq al-Mahdi an ultimatum in February, but its ultimatum was not carried out. The army waited for anything to be accomplished or for any problem to be solved. But what has happened from February to the present is this: Mistrust between the ordinary citizen and the government has increased, opposition has escalated with the National Islamic Front's departure from the government, the government has not taken any positive and sincere step toward solving the economic issue that has put Sudan on the brink of the abyss, and—despite the efforts of the unions and of a number of parties and friendly countries—al-Sadiq al-Mahdi has not tried to truly move in the direction of peace in the south. Al-Mahdi wants peace, but on his own terms and by the force of imposition, not to say the force of arms. At the foreign policy level, no progress has been made in terms of settling relations with Egypt and with a number of other Arab countries. Official Sudan has continued to be semi-isolated. The reasons also include the terrifying inflation rate, which is due to the absence of authority from the scene and from the citizenry, and to widespread corruption. What is more serious than all this is that the army has lost its confidence in al-Sadiq al-Mahdi's government, and vice versa. Each has been lurking for the other. Despite all the talk about rehabilitating and reinforcing the army and about the weapons deals which will be delivered, the

army's condition has continued to be as it was in the past and has even worsened, thus causing the army to lose major battles in the south and causing the officers' and soldiers' morale to collapse." [passage omitted]

Lieutenant General 'Umar Hasan arrived in Khartoum from the south a few weeks ago. Sources close to him have said that he returned angry and touched as a result of the miserable conditions under which the Sudanese troops in the south live. Lt Gen 'Umar Hasan was the military commander of Mayom District in the Upper Nile Province before he staged his salvation revolution. He returned to Khartoum in preparation for going to Egypt to take part in a military course there. In his first address, Lt Gen 'Umar Hasan said: "We are the ones most severely damaged by the war in the south. We will enlist the help of all expertise to establish peace." He also urged Garang's movement to embark on negotiations to surpass the conflict over the issue of applying the Islamic Shari'ah and to let the issue be submitted to a general referendum. It seems that the coup seeds were planted in the south because a number of brigadier generals who are stationed in the south and who have been unable to get to Khartoum to take the oath before Lt Gen 'Umar Hasan will take part in the Revolutionary Command Council. But there was full coordination with the north, excluding the General Command.

Dr 'Ali al-Hajj, an ex-minister in one of al-Sadiq al-Mahdi's cabinets and the National Islamic Front's Political Bureau director, has told AL-MAJALLAH: "The coup is not a coup against the political authority only but also against the military authority because the segment from which the Revolutionary Command Council has been formed is the segment of second-rank officers, most of whom range in rank from brigadier general to major. They have denied that the General Command has had anything to do with what has happened. They have criticized the command strongly and have retired a number of commanders."

Identity and Support

But why the second rank? And who are these officers and who supports them? An informed Sudanese source has explained what happened as follows: "With the success of the June 1989 revolution, we can say that the dimensions of the April 1985 uprising have been achieved. These officers were the beginning of the uprising. They were not given the opportunity to hold power, because the Armed Forces General Command adopted their demands at the time and acted in the manner that is well known to all. These officers were subjected after the uprising to strong pressures which restrained their wish to rescue Sudan from its condition in the manner they see fit. During al-Sadiq al-Mahdi's rule, they watched what was happening inside and outside the army and saw the April uprising fall to the abyss of anarchy, corruption and, verbal clamor. They complained and made their anger known to the highest levels. Consequently, the armed forces issued their memorandum and ultimatum

in February 1989. But this ultimatum was foiled by some elements in the General Command. In that period, it was difficult to move because al-Sadiq al-Mahdi's spies were everywhere. After a time, the real planning for the Sudanese national salvation revolution started."

Who Supported the Coup?

Since the dawn of 30 June, rumors have been circulated in an endeavor to answer this question. Some of the rumors say that there is Egyptian-Sudanese coordination, especially since Lt Gen 'Umar al-Hasan is from Shandi province, which is well known for its affiliation with the al-Khatmiyah sect that is tied politically with the Democratic Unionist Party which has special relations with Egypt. Others confirm this support, pointing out the visit Lt Gen 'Umar Hasan was supposed to make to Cairo this week. On the other hand, it has been rumored that Lt Gen 'Umar Hasan was in Libya 2 weeks ago. It has also been rumored that he was in the United States 2 months ago and that the U.S. administration coordinated the coup details with him. It has been further rumored that the purpose of the coup attempt announced 2 weeks ago was camouflage. Informed sources have pointed out the friendship and fellowship that binds Lt Gen 'Umar Hasan with a number of leaders of the coup attempt which was reported to have been uncovered 2 weeks ago and noted that Brig Gen Salah al-Dawi, the coup attempt leader, is a close friend of Lt Gen 'Umar Hasan's, that al-Dawi and all the other detainees were released at a later time, and that this confirms that those officers had no intention of staging a real coup and of bringing Numayri back to power.

All Sudanese circles close to Lt Gen 'Umar Hasan find it unlikely that Numayri, who has resurfaced in Cairo, has any connection with the coup. They also find it unlikely that he will return to Sudan or to power. These circles say that the Egyptian Government perhaps exploited the story of the previous coup attempt and asked Numayri to go into hiding so as to increase the pressure on al-Sadiq al-Mahdi's government. [passage omitted]

AL-MAJALLAH asked Dr 'Ali al-Hajj about the fate of democracy in Sudan and he responded: "It is difficult to speculate on the fate of democracy in Sudan. But what is interesting is that the communiques issued by the Revolutionary Command Council have not referred to democracy." On whether the latest coup signifies democracy's failure, al-Hajj said: "The exercise of democracy did actually fail, as evidenced by the people's welcome of the latest coup. This is tantamount to a conviction not only of the previous regime but also of democracy in the state in which it existed." Al-Hajj added: "Regrettably, some parties exercised anarchy, not democracy. But this does not mean that I am or the Sudanese people are opposed to democracy. However, it seems that whenever the Sudanese people try to establish democratic government, this government turns into a sectarian government

and the army finds that it has to intervene. After a while, the Sudanese people, who cling to democracy, again demand democracy and try to impose it."

A member of the Ummah Party has told AL-MAJAL-LAH: "The Sudanese people accept no alternative to democracy. Al-Sadiq al-Mahdi made many mistakes which undermined this democracy and which, at times, caused it to disappear."

Correspondent Describes Khartoum Reaction to Coup

45040416 Cairo AL-SHA'B in Arabic 11 Jul 89 p 3

[Article: "Lt Gen al-Bashir: We Do not Accept Past Peace Agreement With Garang"]

[Excerpts] [Passage Omitted]

Concerns of Khartoum's Poor

In Khartoum's Suq al-'Arab, the city's main market, the citizens have themselves set the prices of numerous commodities. This example is enough to reflect the degree of draining exhaustion experienced by people here. But this also resulted in some sort of chaos in the markets last week—chaos which motivated the capital commissioner to issue a statement pointing out that the phenomenon of forcing merchants to sell goods at low prices is not the result of instructions he has issued. In his statement, the commissioner also noted that this behavior is irresponsible and urged the citizens to wait until comprehensive studies on setting prices are completed.

The only commodities whose prices have been set so far are bread and meats, in addition to de luxe bread. One day before this price-setting decision was announced, the capital commissioner had issued a decree ordering merchants to adhere to the old prices. After a study conducted on all aspects of prices, the capital commissioner then issued a decree providing for a slight increases in the old prices.

The citizens one meets in Khartoum speak with the same frankness with which they speak to the various Sudanese media which have conducted daily surveys and programs to find out the citizens' opinion of the National Salvation Council. What do the citizens say?

What they say is entirely concerned with inflation and with how to eliminate it. Inflation is also the point from which the poor attack the previous regime. They demand that the new regime wipe out inflation. To put it in other words, inflation is perhaps the regime's touchstone insofar as the citizens are concerned. [passage omitted]

As of 1500, one sees people gathering around public buses to get to their homes. The overcrowding is extreme and there are not enough buses. It is ordinary to see police and army patrols spread throughout Khartoum's

streets to stop private vehicles and load them with passengers in order to solve the overcrowding problem and to get people to their homes before the start of the curfew hours. [passage omitted]

Questions Concerning New Regime

Khartoum is a beehive, and a hive of questions also. Some of the questions have received clear answers from the new leadership and others are still in the anticipation and interpretation phase.

The first of these questions concerns the identity of the new regime and whether it does or does not have any relationship with one of the political organizations preceding its seizure of power. To be specific, the main question here concerns the new regime's relationship with the Islamic Front and concerns the circulated reports that this regime has intensified its assault on all the parties, excluding the Islamic Front.

The new leader always begins his utterances with the words "in the name of God, the merciful and the compassionate, and peace and prayers be upon God's messenger." The answer to the question is full denial. Lt Gen 'Umar [al-Bashir] has said that he has no relationship whatsoever with any of the previous organizations. The same answer has been reflected in the communiques issued by the National Salvation Council. The regime leader has personally expressed appreciation for the early phases of Numayri's regime and has attacked its final phases. This is in conflict with assessment of the Islamic Front which opposed Numayri in the early phases and agreed with him in the final phases.

The same answer has perhaps been implied by the new leadership by forming the National Salvation Leadership Council which includes 3 southerners, one of whom is Martin Malwal who has a personal relationship with Garang.

Martin Melwal himself added a later answer last Thursday at a military meeting broadcast by the Sudanese television. Melwal said that he had asked Lt Gen 'Umar al-Bashir about his relationship with the Islamic Front when al-Bashir brought up the issue of seizing power with him and that al-Bashir responded: "Is it reasonable that I would raise this issue with you if I were from the front?"

Reasserting his words, Martin added that if the new leadership organization had any relationship with the front, he would not have joined it and that he is not opposed to the devotion with which the citizen, regardless of his religion, worships his God but that he is opposed to imposing discrimination because of religion.

But what is the secret behind all these doubts that are cast on the new Sudanese leader and his tendencies? Are they a cover for an attack by the other forces against him? He does not know. But he does personally offer the decisive answer that he is "religious and, as a Muslim, he observes the rites of the Islamic religion."

Generally, questions are still raised and answers are still pursuing them. [passage omitted]

AL-SHA'B has learned from its sources here that consultations are underway on the republication of some newspapers. It is also rumored that the National Salvation Leadership Council may issue one or two newspapers under the names of AL-THAWRAH [revolution] and AL-INQADH [salvation]. It is also likely that AL-KHARTUM, which was purchased by Muhammad al-Baqir after he had resigned from the previous Unionist Party's Information Secretariat, AL-USBU, and AL-SUDANI will be republished. The situation is not clear regarding republication of AL-AYYAM, one of the oldest Sudanese newspapers.

Lt Gen's Meeting With Engineer

The politicians' reservation and anticipation has been reflected in Lt Gen al-Bashir's meeting with 'Awad al-Karim Muhammad Ahmad, the Engineers Union acting chairman and Architects Union chairman. AL-SHA'B has obtained the details of this meeting. Ahmad requested that appointment of the Council of Ministers be excluded from the National Salvation Leadership Council's powers. He also asked the Lt Gen to grant a 5-year grace period for the return of the parties that have not participated in the corruption—a period during which the parties look for a new formula for their political participation with the new leadership. The engineers chairman also supported the exclusion of any civilian from the Council of Ministers in this phase and expressed the fear that the new leadership will exercise military powers in the future.

Lt Gen 'Umar al-Bashir reaffirmed the unions' role, pointing out that this role cannot be ignored. He also stressed the unionist action's strength and the importance of putting duties ahead of rights in the coming phase. [passage omitted]

BANGLADESH

Former Presidential Adviser Defects to Rebels
46001499 Dhaka THE BANGLADESH OBSERVER
in English 1 Jun 89 pp 1, 10

[Text] Chittagong, May 31—The former Presidential adviser and Parliament Member, Mr Upendra Lal Chakma has been found to have apparently defected to tribal rebels across the border for unknown reasons, some five days ago.

Upen Babu accompanied by his second Marma tribe wife and son Mintu Bikash Chakma came to Chittagong from Rangamati early last week on the plea to see one of his ailing relations. But suddenly afterwards he [was] missing. He later appeared at Jatanbari refugee camp in south Tripura district leading an 18-member delegation of tribal refugees for discussion with visiting Bangladesh official team.

The 60-year-old tribal leader simply stunned the Bangladesh side when he preposterously put insecurity of life as the reason for his escape. When pointed to the fact that other members of his family are hale and hearty in Bangladesh, he just could not make a reply.

Upen Babu who was the main spokesman for the tribal community of Chittagong Hill Tracts and a prime signatory to the Hill Tracts accord showed a real frailty of mind when he called for a negotiation with Jana Sanghati Samity, the controlling body of Shanti Bahini, for repatriation of Bangladeshi tribals from Indian Tripura State. However, the Indian officials present at Jatanbari camp during the Bangladesh official team's visit staunchly shut him aside since it gave the impression of Jana Sanghati's presence inside India.

Mentionably, Mr Upendra Lal Chakma being head of a 21-member tribal committee from Khagrachhari was the key figure in a peace accord between the Government and tribal leaders, sidetracking the Shanti Bahini, in October last year. He was also the convener of a three-member liaison committee responsible for making contacts between Bangladesh side and Shanti Bahini during the six futile peace talks held so far.

His first wife who comes of Chakma tribe reportedly lived in Tripura for quite some time. But two of his daughters are studying in medical colleges in Bangladesh while another daughter is a Sea Custom's Preventive Officer at Chittagong Port.

Commenting on modus operandi of Upen Babu, Mr Samir Dewan, Chairman elect of Khagrachhari Zila Parishad said his role had always been dubious and shrouded with mystery.

Opposition Says Indian 'Conspiracy' Should be Revealed

46001498 Dhaka THE BANGLADESH OBSERVER
in English 25 May 89 p 10

[Text] Leader of the Opposition A. S. M. Abdur Rab on Wednesday demanded of the Government to raise the "Indian conspiracy of Swadhin Bangabhumhi against Bangladesh's independence and sovereignty" in all international forums including SAARC [South Asian Association for Regional Cooperation], reports BSS.

Participating in the adjournment motion on Swadhin Bangabhumhi at the Jatiya Sangsad in Dhaka on Wednesday Mr Rab also called upon the Government to start compulsory military training for all able-bodied citizens and raise the standing army to the number of 5 lakh and people's army to the number of 15 lakh "with a view to defending the territorial integrity from continued Indian aggression". The adjournment motion was moved by Mr Shahjahan Siraj of JSD [Jatiya Samajatantrik Dal] (Siraj).

The Leader of the Opposition said that India was trying to pay its "big brotherly role" towards all its small neighbours including Bangladesh. He said because of its size and population India was engaged in "constant conspiracy" against Bangladesh "to make it a market and a protectorate state."

Mr Rab also strongly said that a section of political leaders had been acting as the "local agents of India" and acting on the behest of the big neighbour. In this context, he strongly criticised a chief of a particular political party for her "communal statement" at Dum Dum Airport of Calcutta. He said these political leaders wanted to use India as the "springboard" to come back to power.

He also pointed out that there was no communal disharmony in Bangladesh.

Describing India as a "monster" Mr Rab called upon the government to help create a national consensus on the issue and unite the whole nation to defend the hard-earned independence and sovereignty of the country. Referring to the rapid increase of "Indian agents" in the country the leader of the opposition alleged that there were "60,000 RAW [Research and Analysis Wing (Intelligence)] agents" in Bangladesh.

He also strongly demanded exemplary punishment for those who had been arrested in charge of their involvement in the so-called Bangabhumhi movement. Mr Rab also said that during his recent visit to Calcutta he had discussions with the West Bengal's Chief Minister about the growing activities of the Bangabhumhi campaigners. He said he had the feeling after discussions that the left-front government of West Bengal was not supporting the seditious elements and they were actually getting all support from the central government.

The Leader of the Opposition also warned against any conspiracy by any political party including BNP or Jamaat-e-Islami to capitalise on the Bangabhumii issue to create communal tension in the country.

Planning Minister Explains Annual Development Plan

46001497 Dhaka THE NEW NATION
in English 21 Jun 89 pp 1, 8

[Text] Real investment during the current Third Five-Year-Plan (1985-90) has been estimated at Taka 23,659 crore, reports BSS.

This figure is 28.53 percent less than the planned investment of Taka 33,107 crore, Planning Minister Air Vice Marshal (rtd) A. K. Khandker said in the Annual Development Programme (ADP) realised in Dhaka yesterday.

The Planning Minister attributed the reduction of investment to recurring natural calamities, considerable increase in revenue expenditure, failure to increase efficiency in the autonomous organisations and lack of investment in the private sector to the desired level. The actual investment in the current Third Five-Year Plan would be less to the tune of Taka 9,448 crore at the current valuation of money with 10 percent inflation allowance, he added.

The Planning Minister said of the Tk 5,803 crore Annual Development Programme (ADP) for the fiscal 1989-90, the size of local resources is Taka 2,553 crore (44 percent) and that of project aid is Taka 3,250 crore (56 percent).

The Planning Minister said Dhaka Metropolis flood control, achievement of food autarky by 1992, alleviation of poverty and generation of employment in rural areas, incentives to private sector for industrial development, and education, health and family planning, social welfare and womens affairs had been given priority in the ADP of 1989-90. With this end in view, Taka 1,550 crore had been allocated in the agriculture and water resources sectors compared to Taka 1,025 crore earmarked in these two sectors in 1988-89 he said.

The allocation in the education, health, family planning social welfare and womens affairs sectors is Taka 881.61 crore in the fiscal 1989-90 as against Taka 652.84 crore in the revised programme of the previous year he added.

Air Vice Marshal (retd) Khandker said construction of zila and upazila infrastructure would account for Tk 130 crore assistance to upazila development Taka 100 crore zila parishad Tk 26 crore four municipal corporations Tk 10 crore, pourashava development Tk 20 crore Greater Dhaka Flood Protection Programme Tk 150 crore and special development programme of Chittagong Hill Tracts Tk 20 crore.

These projects the Planning Minister said, had been identified as "core" programme to ensure their implementation in the face of unexpected adverse situation that may arise out of funds crisis, 169 projects had been incorporated in the core programme for which Taka 2431.17 crore had been earmarked, he added.

INDIA

Various Joint Indian Agreements Reported

34190273z Port Louis WEEKEND in French
18 Jun 89 p 7

[Article entitled: "India and Mauritius Soon to Sign Accord"; editor's lead is "His Excellency Kant Kishore Bhargava leaves the country next Thursday"]

[Text] India and Mauritius will soon sign an agreement to prevent drug trafficking between the two countries. That is what His Excellency Kant Kishore Bhargava, Indian high commissioner, told a WEEKEND representative yesterday, a few days before his departure for India. Mr Bhargava, who has been assigned to Mauritius since October 1986, has been transferred to the SAARC [South Asian Association for Regional Cooperation] secretariat.

Right at the outset, the high commissioner said that Indo-Mauritian relations were extremely cordial and the two parties very interested in giving new directions to these relations. "There have been many cultural exchanges, with India's participation in the Sea Festival, the launching of the Indira Gandhi Centre for Indian Culture, and the filming of several Indian movies in Mauritius," Mr Bhargava added.

Trade has doubled, climbing from 286 million rupees to 680 million last year. Two exhibitions and two meetings of the Mixed Indo-Mauritian Commission have been held during the last 3 years. India has also granted 260 million rupees for projects in the country, the building that will house the Small Industries Development Organisation is ready, the Jawaharlal Nehru Hospital will be by the end of next year, and construction of the Port Louis Court House will begin soon.

"An interesting feature has been the breakthrough in consultancy services. An Indian firm has got the contract to prepare a master plan for the harbour of Port Louis and a contract has been signed between the State Informatics Ltd and the Computer Maintenance Ltd," says the Indian high commissioner.

Moreover, he indicated that there has been much cooperation between our two countries in the areas of science and technology, biotechnology, agriculture, medical research, and ocean development. Mr Bhargava will announce the installation of a radio-telescope in Mauritius in November, for observation of the galaxy. "It will be a joint project between the two countries," the Indian diplomat noted.

Though generally satisfied with relations between India and Mauritius, Mr Bhargava believes there is still more to be done commercially and economically. "In my view, commercial and economic cooperation should extend more. I feel there is not sufficient contacts (sic) between Indians and Mauritians in these fields," he said.

On a personal level, the high commissioner told us he had made many Mauritian friends and that he was very happy to have known them, even though he had not been able to meet them as often [as he would have liked], for lack of time. "But I will never forget that for my birthday this year, I received a card from a Mauritian boy whom I had never seen before. I don't know how he found out my birthdate. And as a coincidence, he sent me the same type of card which my daughter got for me. I have asked him to come and see me before I leave," recalled the Indian high commissioner.

India Provides Satellite News Circuit
34000477z Lusaka TIMES OF ZAMBIA
in English 1 Jun 89 p 1

[Text] The Zambia News Agency (Zana) and the Press Trust of India (PTI) have launched a direct news circuit by satellite to enhance information exchanges free of past Western media manipulations.

The PTI has boosted Zana with a donation of vehicles, typewriters, televisions, radios and other equipment to help in its operations.

Member of the Central Committee and Chairman of the Elections and Publicity Sub-Committee Cde Joseph Mutale said at a ceremony at mass media complex in Lusaka yesterday that developing nations had been portrayed and judged through disasters, coup d'etats, scandals and catastrophes creating a bad picture which the link would help remove.

Flanked by Zana acting editor-in-chief Cde Simon Sikalele and Indian high commissioner Mr Satnam Jit Singh and Zambia National Broadcasting Corporation (ZNBC) director-general Dr Steven Moyo, Cde Mutale said most developed countries knew little about Africa and considered the nations as lacking any means of development.

Calling for objective and factual journalism between the agencies, Cde Mutale said the Party and its Government would continue making efforts to strengthen Zana to make it a powerful social, economic and political development vehicle.

Cde Sikalele said the link would serve to consolidate understanding between Zambia and India as a third "Third World to Third World" tie. Zana and PTI were doing a part of the work done by national leaders to improve ties.

Mr Singh said there was unity and understanding at all levels of life between the two countries which would be further strengthened by the development.

The system would enable favourable coverage of events by each country of the other.

Since the two countries' independence from colonial rule their experience had seen the "highest degree" of information manipulation and distortions by multinational news organisations.

The Zana-PTI link would not serve as a public relations tool presenting only the positive side of the nations' experiences which in itself had other negative repercussions but should adhere to internationally accepted standards.

Cde Mutale told the gathering which included media and Party and Government leaders that Zambia saluted the worldwide efforts made by some bodies towards a new world information order.

Ineffective Jammu-Kashmir Government Blamed for Violence

46240047 Delhi JANSATTA in Hindi 29 May 89 p 6

[Article by Mukhtar Gil: "An Ineffective Government and Uncontrolled Terrorism"]

[Text] A powerful propaganda has been carried out in mosques, schools, and colleges in Jammu-Kashmir for the last few years. The Muslims of the valley are being told that their home is Pakistan and they should have the freedom to choose whether to live in India or in Pakistan. The effect of this campaign is very visible in Mir Wais Maulvi Farooq's constituency, the old Srinagar area; Kazi Nisar's constituency, Anantnag; and Jamaat-i Islami's strong hold areas such as Baramulla, Sopur, and Mutton.

Reservation of jobs, loans on easy terms for business and other purposes, and many other privileges have not taken these people very far from the demand for "freedom of choice." The minority Hindus, Sikhs, and Christians do not agree with this demand, but they feel insecure because of the failure of the (Cong. [I] - National Conference) government and join various demonstrations.

When Ghulam Mohammad Shah, the 70-year-old father of Shabir Shah, the underground leader of pro-Pakistan party People's League, died in jail, there was a lot of violence in Anantnag. The army was called and curfew was imposed. Orders to shoot were also given. The house belonging to a minister, Mr Hand, was burned. We cannot undermine the influence of Maulvi Nisar.

It was said that the pro-Pakistan groups including Jammu-Kashmir Liberation Front, Mahaaz-i Azadi, and the Islami Students League held a strike to show their

anger at the tortures given to the arrested youth from the valley. The main purpose was to raise the "leave Kashmir" slogan and demand the freedom of choice. Misguided Kashmiri youth do not miss any opportunity. Be it the death of Ziaul Haq, or the occasion when Zia hanged Bhutto, or India's republic day or observance of India's independence day as a black day, or be it 27 October (the day Kashmir joined India in 1947). They come out and raise black flags to show their anger.

These youth are trained by Pakistani intelligence agencies Inter Services Intelligence [ISI] and Field Intelligence Unit [FIU] in the Pakistan occupied Kashmir. These agencies provide them with weapons for destruction and sabotage. The purpose to scare the minorities into leaving Kashmir so that Pakistan can annex it. Trained insurgents have been attacking police stations and military camps with automatic weapons for one year now. They are also making hit lists.

India's intelligence agencies and the Central Intelligence Agency of the state have failed to apprehend the leaders of the terrorists. The most prominent among these are: Shabir Shah (general secretary, People's League), Mohammad Malik Yaseen (general secretary, Islamic Students' League), Ashfaq Ahmad Wali, Abdul Aziz, Abdul Ahmad Vaza (Jammu-Kashmir Liberation Front), Nais Khan Pradhan, Javed Ahmad, Maqbul Ali, and Abdul Aziz. Actually, some people shelter them. Now the Islamic Students League has started a women's group called Dukthran-i Millat [nation's daughters].

During the 4-day strike, youth trained in Pakistan blasted two very powerful bombs on the first day. Two persons were killed, dozens injured, and property worth lakhs of rupees were destroyed in the 13 bombs blasted during this strike. The angry crowd and the police clashed several times. A tourist bus going on the Srinagar-Gulmarg road was fired upon. The national flag was burned at Nohatta. Efforts were made to burn important bridges and Pakistani slogans were raised.

Mir Waiz Maulvi Faruq, the leader of Awami Action committee, took the side of the trouble-makers and demanded an inquiry. He accused the government of suppressing the youth in order to hide its own incompetence. The hurt people needed some comfort. Bhim Singh, the leader of the Panther Party, said that the government (Cong. [I] - National Conference) was drowning with the weight of its sins. Mufti Mohammad Sayyed, leader of the Janata party, demanded new elections. The Muslim Youth Front is not happy at the failure of the government either.

Faruq Abdulla had to make some changes in his cabinet under pressure from the Congress government at the center. All ministers belonging to the National Conference were retained when they bowed down to the government. The anger and dissatisfaction in the party has increased. The Congress could not save its four ministers accused of corruption, but it managed to add five new ministers. The

number of ministers belonging to the Congress party increased from 7 to 11. The National Conference increased its army of ministers from 19 to 30.

In order to make Congress strong and reduce the influence of the National Conference, the Jammu-Kashmir Congress Committee was disbanded. Mohammed Shafi, who has remained faithful to Indira Gandhi, was made the president. This, however, caused even more split among the ranks. The former vice chairpersons, Ajit Singh and Abdul Aziz Jargar, rebelled. General secretary of the party, Ghulam Nabi, blocked the appointment of the former chairman Ghulam Rasul's as a minister. The former education minister, Mohammed Aslam Gujar, was also fired. Faithful workers like Prakash Sharma and Swaran Lata were ignored. These unhappy people can cause heavy damages to the Congress Party.

The inner strife within the (Cong. [I] - National Conference) government, wide-spread corruption, failures caused by the wrong approach, and the lack of any importance given to the government have made the control of rebelling forces impossible. The promises made during the 1987 elections were repeated again during the overhaul of the cabinet. For example, developmental projects in the province will be given priority, more jobs will be created, poverty will be eliminated, and production of electricity will be increased. The most important thing said was that the anti-national elements would be crushed. However, only 15 days after the agreement these very elements struck during the "leave Kashmir" campaign. Bombs were blasted during the violent demonstrations. This proves that Dr Faruq's hold is very weak. Even the tourists are not safe.

Commentary Welcomes Panchayat Bill
46240042 New Delhi JANSATTA in Hindi
24 May; 25 May 89

[Article by Ashutosh Mishra: "In Spite of Petty Politics"]

[24 May p 6]

[Text] Part 1: In spite of his political cunningness Rajiv Gandhi has brought about a fundamental change in Indian politics by means of the Panchayat Bill. Rajiv Gandhi has taken it straight from the 1983 Panchayat Bill of the old Janata Government [as published]. On his own behalf he has mixed it with the mud of party politics. Therefore, almost all the allegations made by the opposition are true. For example, he has tried to control the district boards directly bypassing the state governments. This will further increase centralization. Along with it no restraints have been put on the bureaucracy as the district officers continue to have their role in this bill. The panchayats have been turned into loyal servants of the strong governmental system at the center.

It is well known, and, further, Rajiv Gandhi himself as well as his rubber-stamp governor Venkat Subbiah have openly admitted that the revolutionary step of making the panchayats an active self-governed unit had been taken mostly by the opposition parties themselves. In spite of this, Rajiv Gandhi as well as doordarshan have embarked upon panchayat reforms in the manner as if the non-Congress parties had imprisoned the poor panchayats in some remote place and Rajiv Gandhi had to attempt a daring commando operation in order to rescue them. By means of the Operation Panchayat Reform of Rajiv Gandhi the attack has not been made on the bureaucracy, but, on the opposition parties. The panchayats have suffered mostly at the hands of bureaucracy. In spite of this, Rajiv Gandhi initiated the process of panchayat reforms at the conference of district officers held in December 1987. In July 1988 he invited the chief secretaries for consultations. On the other hand, he remembered the promise to chief ministers for consultations only on the 5th of this month when the whole bill had already been drafted.

In spite of this defect the Panchayat Bill has accomplished a revolutionary task. It is revolutionary not because by this means there is going to be any significant or basic change in the power structure of the village or in the economic inequality. It has not even a distant relation with Gandhiji's concept of self-dependent and self administered "village republics." Honestly speaking, in the Indian Constitution itself there is only a formal reference to self administered panchayats and even that has been included in section 40 of Part IV in the form of policy directive. Doctor Ambedkar, the father of the Indian Constitution, was very much against the panchayats. He believed that the panchayats would become a tool in the hands of the established interest groups of the villages in repression of the depressed class. According to him the "village republic" as envisaged by Indologists Warles Metcalf, Henry Mann, and Beaden Powell, etc., was merely a myth. He wanted the established interest groups of the villages to be subdued by the interference of the center. He could not succeed to this extent because ultimately panchayats were entrusted to the states under the provisions of the fifth entry in the seventh schedule.

One direct implication of entrusting the panchayats to the states was that no revolutionary task was meant to be performed with them. They were, of course, to be glorified with the myth of an ancient Indian republic system but were not to be made a tool for any basic change. In this manner our panchayats had given so little honour to Gandhiji that as per the recommendations of Balwant Ray Mehta Committee the date of 2 October 1959 was decided to be the date of its implementation. Strangely enough, even a dedicated and wise person like Jayaprakash Narayan had welcomed the proposal. Even he could not get over the illusion until 1964. He, even, failed to remember that in this way of panchayat in name only, the lower structure of bureaucracy was to be

organized. At that time it so happened that the panchayat system was adjoined to the community development and national extension programs.

The Gandhist thinker Dharampal has rightly mentioned that the leaders of independent India did not even show understanding the panchayat system as that which was demonstrated by the British in their decentralization policy of 1909. During the whole period of the struggle of independence, panchayat was not an issue. At that time the determination was to throw the whole system in the garbage. But, independent India accepted the complete Westminster model as it was. At first, the purpose of decentralization was to gather the English [model], in the words of a British parliamentarian, in the sponge of centralization purified with the water of the Ganges and then squeeze it into the taxes. In independent India centralization was instituted because now it was a modern nation that was governed by its people's own representatives. This mentality of republic, nationalism, and modernism strengthened the central government in India as it did in other countries of the world. The state governments in India also became strong during this period because in independent India the states were not organized in a haphazard manner but on the basis of linguistic homogeneity. In this way, a hazy sub-national individuality of the states could evolve. During all this process the issue of panchayats was left almost unattended.

Even a common student of political science would know that the government of a modern nation imposes centralization only in this manner. We can get anything done by force, but then this, (in general), is the nature of a national government. If we talk in terms of structures, in the old 'iron rules' of minority government of Nichels, and bureaucratic government of Weber, it was made clear that wherever there would be step-like structures the powers at the lower steps would slowly be drawn upwards. Therefore, nothing new or unusual has happened in India. When the center tried to wrap up the powers of the states, the states crippled the panchayats. It was easy to knock down the panchayats because it had no sub-national status as did the states. They were left at the mercy of the states. Jayaprakash Narayan and the Ashok Mehta Committee had clearly suggested that the panchayats should also get the same constitutional protection as has been provided to the states. The Sakaria Commission had also specified in its 1987 report that the local institutions should get exactly the same kind of constitutional protection for their working periods and sessions as the state legislatures have been given respectively in Articles 172 and 174. It must be remembered that in spite of all his cunningness, this historical task has been accomplished only by Rajiv Gandhi.

With this 64th amendment neither the dead bodies of the "village republics" will come to life again, nor, should we be in the delightful impression of emergence of an Utopia in this dark age. With this bill the only guarantee will be that the elections of panchayats will be

held regularly and also that even if they may not be able to restrain the bureaucracy they may, at least, be able to ask them questions. Rajiv Gandhi has promised to introduce a similar bill for the urban local institutions during the next monsoon session. In this manner, perhaps, Rajiv Gandhi may be able to get constitutional safeguards provided to the local institutions before the next general elections. If he could do a similar thing for the powers of panchayats and municipalities that would have been still better. Thus, not all the things that happened were good. The bill has been introduced with wrong methods and intentions.

However, it is foolish to throw away the kids along with the dirty bath water. Not many good things have happened but it does not mean that nothing good has happened. In politics it is not so necessary to have a great personality as it is to have a high post in order to perform a historical act. And, in politics so many historical acts have been performed out of petty selfishness and with dirty processes.

[25 May p 6]

[Article by Ashutosh Mishra: "Freedom of the States From the Clutches of the Center Also Necessary"]

[Text] Part 2: Rajiv Gandhi has bragged in the parliament that he was presenting the bill in the form of a nectar drawn from the churning of deep thoughts. He gave the details of the whole process several times. According to him, its origin lies in the last point of establishing a responsible government listed in the new 20-point program. On this his works department and the parliamentary advisory subcommittee have worked for months. In the present year, several conferences were organized to ponder over the proposals. The conference of the northern and western panchayat representatives was held in Bangalore and in Calcutta. On 24 February and 3 March of this year respectively the representatives of the scheduled castes and tribes held their conferences. Again, on the 5th of this month the chief ministers, and on the 10th the members of the All India Congress Committee held their own conferences. This very month the women also had their conference. In this manner, Rajiv Gandhi has been presenting a long list of his Herculean efforts. However, we should also see this as a great deal being made out of nothing. The fact of the matter is, that, the conferences of the panchayat representatives were just a show business. The government satisfied itself with the responses to just formal yes/no type questions. In this regard last month's Bangalore conference will always be remembered with shame. Just before the conference the central government had dismissed the Karnataka government of the Janata Dal. The conference was boycotted by all the south Indian chief ministers. A total of about a hundred panchayat representatives participated in the conference. The task went ahead anyway by collecting some government officials. About the All India Congress Committee conference it was claimed that in the 103-year history of the

Congress it was the first time that a conference was held on just one particular issue. But even this was a big ludicrous joke. During this one day conference a total of 18 amendments were presented. Then, on the directive of Rajiv Gandhi all the amendments were withdrawn. In the chief ministers' conference it was argued that on such an important issue nothing should be done in a hurry. Several of the chief ministers suggested that the matter should be considered coolly after the election was over. But, when the whole gimmick was only for the elections how could this kind of suggestion be accepted?

The anger expressed by the non-Congress governments in regard to the bill is legitimate. On one hand, they have complaints against the provisions in this bill, on the other, they also have objections to the whole process of its promulgation. According to Rajiv Gandhi himself the greatest interest in strengthening the panchayats has been taken by the non-Congress governments. Therefore, the objections raised by these governments cannot be brushed aside lightly. Their greatest complaint is that the central government intends to control the panchayats. This allegation is being confirmed from every side. In the course of his administration, at the time of the Punjab, Mijoram, and Assam agreements, Rajiv Gandhi had made up his mind in such a manner that he had no difficulty in entrusting the crisis-ridden states to the non-Congress parties. At that time his calculation was to continue to manage the government at the center smoothly and not to bother too much about establishing Congress governments in the states. Then slowly, the state governments also began slipping away from the grip of the congress. From south India the Congress has almost been completely eliminated. In other states wherever the Congress governments are intact the movements of the dissident groups have been vexing the Congress high command. As a whole, Rajiv Gandhi is now completely disgusted with the states. After losing his grip over the states he has been able to understand the importance of panchayats. It appeared to him that if the panchayats could be controlled directly he might well be compensated for the loss of his hold over the states. On this very 8th of May the agriculture minister Bhajan Lal sent instructions to the states that within 30 days they should collect the money under Jawahar Razgar Yojna [Employment Project] and distribute it even among those panchayats where elections have not been held.

The Congress government at the center has strengthened itself all the more with the Panchayat Bill. The National Commission of the Scheduled Castes and Tribes had submitted a report last January on this very issue. In this report it was recommended that the whole process of panchayat reformation should be initiated at the level of the central government which will have to take initiative in developing a practice of sharing of powers. The central government, so far, has made no attempts to distribute its powers. Even in the matter of panchayat reformation the center has reduced the powers of the state. The National Development Council had suggested to the central government three years ago that it should entrust

the responsibilities of planning to the states unconditionally in place of taking them upon itself. The central government has shelved this report. In practice the central government is not prepared to loosen its grip even a little bit. This year in the central budget it has been promised to decentralize just the implementation of the central employment plans. But the central government will not do even this with honesty. Its interest in the slogan of decentralization is only to the extent that it is able to seize the control of the panchayats. Otherwise, the chief ministers of south India had told Bhajan Lal earlier that they were going to organize a conference on panchayats and that the central government should offer its cooperation. In order to seize control of panchayats Rajiv Gandhi did not even hesitate in misinterpreting Section 12 of the Constitution. In this section in definition of 'government' both the central and state governments have been included and this has been corroborated in Section 36. According to his interpretation Rajiv Gandhi wants to establish that the center has as much rights on the panchayats as the states. He has knowingly overlooked the provision that the power of making laws in regard to panchayats is clearly vested in the states. If the interpretation of Rajiv Gandhi is accepted then the state governments should have the power to enact foreign policies.

Rajiv Gandhi's motives in introducing the Panchayat Bill are not all commendable. He wants to take advantage out of it in the elections. We should have no moral objections to this kind of motive. Even out of sheer selfishness Rajiv Gandhi has at least made the issue of panchayats an object of national controversy. Also, there is no doubt that by this means he wants to have a hold over the panchayats. But, one should not make a mistake of taking him to be a shrewd politician. There is no mechanism in the bill through which the central government can seize control of panchayats. Essentially what has happened is that only the autocratic authority of the states over the panchayats has been reduced. Now the elections for the panchayats have been made obligatory and the states can no longer keep them under their thumb by dismissing them at their free will. The panchayats, in a way, have gotten greater constitutional protection than even the state governments. Even if Rajiv Gandhi has done it in order to weaken the state governments it is still a great accomplishment. We should definitely press our demand that the center should restore the rights of the states that it has taken away. But, the state governments should also restore the panchayats' rights. As a criticism of the bill we can say that while the panchayats have been released from the clutches of the states the states themselves have so far not been released from the clutches of the center. Nevertheless, whatever has happened is sufficient. Some good points are missing in the bill. For example, after the legislative powers of the center and the states in the 7th schedule the 4th schedule for the panchayats also could have been added. And, the adjacent powers of the panchayat states could as well be added in the 5th schedule. The contributions of panchayats should have

been specified in the Bill. But, after the removal of the provisions in regard to the governors, now there is no basis for raising objections. The opposition parties, themselves, are making statements to the effect that Rajiv Gandhi has drawn his inspiration from the Janata Dal of Karnataka. Then, why should we hesitate in welcoming it despite its drawbacks?

Commentary Questions Panchayat Reform

46240045 Calcutta RAVIVAR in Hindi 3 Jun 89 p 18

[Article by Raj Kishor: "What Will the Panchayats Do?"]

[Text] So Mr Governor is out. On account of the opposition's hue and cry, he has lost his importance at the Center in the panchayat system. This is the third or fourth time in Rajiv Gandhi's prime ministership that the central authority of India had to withdraw an important proposal. This proves that given the necessary popular opposition, anti-people proposals can still be sent to the government's cold storage where, who knows, how many proposals and decisions have expired for want of oxygen.

But elimination of this blemish does not mean that all is now well. When Rajiv Gandhi was talking with so much emotion regarding panchayat raj, decentralization and giving power to common man, it appeared as though he had hit upon something original which would change the face of the Indian society. But when the draft of the proposed changes became public, it became clear that the originality lay not in thinking but only presentation. The new panchayat rule does not propose any new blue print for production, employment and education but rather the government wants to implement the same old blue print in a new fashion. To the extent that the new plan includes in the political set up new forces like people from scheduled castes and women and provides stability to lower level democratic institutions, it is welcome but otherwise there is little in it to generate enthusiasm in the villages.

This is the first time that women have been accorded priority anywhere excepting in buses and trains. When 30 percent of seats in panchayats at the village, block and district level are compulsorily occupied by women, these institutions will be changed beyond recognition. So far the voice of women is rarely heard outside of homes. That is why the topics covered by their voice do not go beyond the family circle. It would have been better had women been able to leave this circle by aid of their own sense and power. But since they have been unable to do so, it becomes the duty of those in political power to facilitate women's entry into society. In fact, according to priority status to women along with untouchables and tribals is a reflection of their real status. Clearly in the initial stages only those women will taste political power whose families already wield this power to a substantial degree but this is a natural evil.

Similarly, giving the election commission the responsibility for panchayat elections and making arrangements to see that panchayats do not remain suspended for an extended period can surely be considered a revolutionary action of sorts but only when this proposal leads to some concrete results. State governments are worried to death that panchayats are thus being removed from their control but whenever independence increases, control diminishes. In fact, state level authorities do not like it that under them there should be certain political forces which are not beholden to them. This is almost the same kind of treatment that the Center metes out to states. Within the bounds of a ruling party, it takes the form of practically a dictatorship which does not become democratic just because most of the states obey it implicitly. Indeed, it is these factors which raise a doubt as to whether the attempt to democratize the panchayat system may not be an exercise in promotion of [election] interests.

Valid apprehensions can also be raised regarding the role of the election commission. So far it has been a personal servant of the party in power and that is why dozens of parliamentary and State Assembly constituencies remain unrepresented for over 6 months and sometimes for years on end. In other words the elections commission had failed to stop parliamentary by elections becoming a matter of Congress Party's convenience. Therefore before it turns over a new leaf in villages and districts, it is imperative that concrete steps be taken to reform its own nature. The Election Commission's autonomy is no less crucial than the autonomy of radio and television.

But the question is what will the panchayats do? They will not become new vehicles for planning and development, rather they will function as another agency for implementation of current plans made by the Center and states. They have been given the authority to revitalize their economic power but is there really enough surplus in the villages which can be used for reconstruction? They will build roads, bridges and schools under their own supervision, distribute relief, provide employment to villagers but where will it lead to? It cannot industrialize villages, what can be produced in contemporary villages which the country requires? Roads will be built by the village but the shoes will be made only by Bata. Agriculture has the potential of some modernization but agriculture cannot by itself make the entire population of villages self-sufficient. New schools will be built in villages but having received education there, the youth will have to head to cities for jobs. Therefore, without decentralizing and expanding industrial bases, no concrete changes can be expected from panchayats. At best, it will continue to play the role of a pennyless broker for the industrial system and in its honest moments it will continue to wonder why even though it has gotten power, there is so much poverty, illiteracy and filth around.

Commentary Views VP Singh Chandrashekhar Rivalry

46240044 Bombay NAVBHARAT TIMES
in Hindi 30 May 89 p 6

[Article by M. J. Akbar: "VP Singh Versus Chandrashekhar"]

[Text] If I remember correctly, it was perhaps Oscar Wilde who remarked that nothing clears the head better than announcement of a death sentence. And if Oscar Wilde had not made this remark, someone else would have. Rajiv Gandhi has been providing the truth of this saying during the last three months. No doubt, it must have been the Tamilnadu state assembly election results that dispelled any remaining illusions. The message from Tamilnadu was clear and unmistakable that the crowd that you cannot sway, will not vote for you. Since then Rajiv Gandhi has started paying attention to those things which rightfully he should have done long ago and in that is a political message for the Janata Party. As a matter of fact, this business had been left hanging for the last four years but so far as most Congressites are concerned, better late than never. Opposition to communalism and empowerment of the poor will be the two pillars of the Congress election campaign and the Congress attack will be spearheaded by Panchayati Raj [elected representatives] and direct appeal to women and youth. If one can see a faint smile on faces of Congress people, it is definitely not because they feel that the upcoming election battle is in the bag. The smile is there because the Congress people feel that they have at least got a chance. Perhaps the best commentary on the present situation is that whereas a few months ago, the election results appeared a mere formality and the Congress had no chance, now it looks as though the real battle is yet to come.

But the reason for the Congress optimism is not that Rajiv Gandhi has performed any herculean labor for them but it is because they are delighted with Vishwanath Pratap Singh's performance. If Rajiv Gandhi has gradually matured from an acceptable incumbent into a serious leader, VP Singh, during the last nearly three months, has fallen from the position of an unchallenged leader to the worried one. His discomfiture can be imagined when he says that he finds it easier to resign than to manage the Janata Party. VP Singh tends to fall out of the frying pan into the fire. Unfortunately it is very difficult to manage a political party and the only way of working that VP Singh knows is to refuse to acknowledge the existence of difficulties and to retreat from problems or to force on his Jan Morcha friends a manifestly disproportionate share of responsibilities. The way the Karnataka government was allowed to fall is completely incredible. When the Karnataka government committed self-immolation, VP Singh was in fact playing a flute. Sometimes it appeared as though there was no opposition party in the country prior to formation of the Jan Morcha by VP Singh and Arun Nehru. But no Janata leader had the guts to challenge VP Singh

and they were afraid that they would be blamed for breakup of the party. Only one leader was determined that the hero who was playing the flute when Karanataka was burning, should be called a coward. And now he is being kicked out of the party for having dared to raise his voice. After all Chandrashekhar is also a Brahmin from Uttar Pradesh and he is not accustomed to be intimidated into silence. Indira Gandhi could not manage it and there is little likelihood that VP Singh can pull it off.

VP Singh has always been impatient with Chandrashekhar because he knows fully well that Chandrashekhar will not pardon him for any one of his mistakes. At the end of last year, the VP Singh lobby made an attempt to evict Chandrashekhar out of the Janata Party when HD Devegoura, Sayed Shahabuddin and Subrahmaniam Swami flouted the leadership of VP Singh and Hegde and thus kept the Janata Party alive. But the more intelligent people like Devi Lal, who understands opposition politics, scuttled this move. Then transpired the famous division under which leaders of various factions carved out for themselves offices of party chairmen of different state units of North India. Devi Lal put Nathuram Mirdha in Rajasthan, and his own son Omprakash Chautala in Haryana and Mulayam Singh Yadav in Uttar Pradesh, and VP Singh put Vidhyacharan Shukla in Madhya Pradesh, Ashok Sen in West Bengal and Major Mankotiya in Himachal Pradesh, George Fernandes put Mundal Gorey in Maharashtra, Biju Patnaik put himself in Orissa and Chandrashekhar put Raghunath Jha in Bihar.

Chandrashekhar's first mistake was that he dared to question VP Singh's handling of the Karanataka crisis. This was a challenge to the supremacy of a person who wanted to be known as the ideal candidate for the office of prime minister. A plan was put into motion to kick Chandrashekhar out or to subject him to so much humiliation that he should be forced to leave the party. It is clear that, for this purpose, Raghunath Jha was made the target of attack. To this end rumors were floated concerning Jha's repulsive character saying that during emergency days, he was a Congressite and close to Jagannath Misra. It is ironical that the people who were themselves Congressites only a year ago are reviling Raghunath Jha just because he is a former Congressite. But absurdities will happen. But the point is that if Jha is guilty, then what about Ramlal who in 1984 was the governor of Andhra Pradesh and in whose time Arun Nehru accomplished, by use of money and force, the work of toppling NT Ramrao's duly elected government. But what has logic got to do with the case of Raghunath Jha? This is the politics of power. Later VP Singh discovered an excuse to fire Jha and that was that in the distribution of offices, the scheduled castes and the backward castes had not been given their due representation. VP Singh has not mentioned even once the fact that each and every one nominated to the top offices is a high caste person or that he has himself installed Brahmins everywhere. Instead, in a Gandhian vein, he described how pressure and factionalism had forced him

into a compromise. Omprakash Chautala was not a 'compromise', Ramlal Thakur, chairman Campaign Committee, was not a compromise, but Raghunath Jha surely was one. Here the doubt should also be erased on whether Ramlal had ever before used his caste name. Only under VP Singh's rule, did he do this.

But VP Singh has another reason for irritation with Chandrashekhar. He is convinced that the Jaya Prakash Narayan's highly damaging letter, in which VP Singh was described as 'thoroughly selfish', 'yes man', 'spineless', and without any firm political convictions etc, had been leaked by Chandrashekhar camp. It is understandable that the above descriptions must be acutely galling to a person who had cast himself in the mold of a new Narayan. The full sentence is very damaging. 'VP Singh is a spineless Congress man.' Not only this, but the letter also contains praise for Chandrashekhar. 'Even though Chandrashekhar, Mohan Dharia and Krishankant are Congressites, they are full of courage and patriotism. VP Singh, VC Shukla and Om Mehta lack any firm political convictions and are thoroughly selfish and yes men. Therefore even if they call me enemy of peace, arch conspirator, traitor, reactionary or any other such epithet, it does not affect me. Clearly no one can dispute the authenticity of this letter. Harid Davey, the editor of Janmabhumi Pravasi, who published this letter is an extremely gentle, soft spoken and blunt poet and he will not be moved by anything except the pressure of truth. VP Singh has no recourse but to wreak vengeance on Chandrashekhar.

But Chandrashekhar cannot be easily vanquished. He is the kind of personality that creates his own stature and those who, at any level, underestimate his stature and character, do so at their own peril. He cannot be intimidated or incited into a reckless exploitation of the party that he had led for a decade. It is VP Singh who has committed the mistakes which could be used by Chandrashekhar to his own advantage and he will continue to do so. For instance, the appointment of Sanjay Singh as chief general secretary, in particular, has aroused much bitterness. From now on till the elections, we will see an unending parade of spectacular events. Dismissal of Raghunath Jha will continue to reverberate in the internal politics of the Janata Party for a long time.

IRAN

'Sources' in Tehran Report Political Infighting

46040010 London AL-DUSTUR in Arabic
12 Jun 89 pp 12-13

[Article by Dr 'Ali Nurizadeh: "Who Will Inherit the Imam?"]

[Text] About six years ago, that is, in early August 1983, when AL-DUSTUR published in its issue no. 297 the gist of Ayatollah Khomeyni's will, some people thought that the story might have been fabricated. Allegedly this

was because the imam deposited the will in a special safe at the Assembly of Experts to be opened after his departure and, therefore, it was impossible for anybody to know its contents.

Last Monday when Iranian radio broadcast the text of the will read by Ayatollah Khamene'i, elected by the Assembly of Experts as successor to Khomeyni, everybody realized that the summary of the will which AL-DUSTUR published exclusively was a true copy and that the imam had changed nothing in his secret will. Indeed, he deleted the part concerning Montazeri as his successor. He also made certain alterations concerning the Iran-Iraq war.

There is no doubt that in his will Khomeyni wanted his shadow to continue to rule after him. Otherwise, the will would not have contained the attack on the East and the West, on the Saudi leadership, and on President Husni Mubarak, King Husayn, King Hassan II, and Iraq. He was aware that his successor, regardless of his political affiliation, would immediately seek to end Iran's isolation by mending relations with the world in general and with Iran's Gulf neighbors in particular. However, Khamene'i, who took over the leadership from the Assembly of Experts, and Hojjat ol-Eslam Rafsanjani, who is supposed to take over the presidency of the republic from Khamene'i next October if he wins in the presidential elections to be held on 18 August, will both be hostages of Khomeyni's will. The extremists who lost the first round in the battle of succession have nothing except Khomeyni's will. They are certainly ready to exploit it in the coming rounds of the conflict, which has not been resolved by the election of Khamene'i as the leader of the revolution, because the action was taken without a consensus of opinion. Had it not been for quick action by Rafsanjani, Khamene'i, and Musavi-Ardebili, Ahmed Khomeyni would not have been forced to declare his allegiance to Ayatollah Khamene'i (bearing in mind that the Assembly of Experts had promoted Khamene'i to the rank of Ayatollah).

In the following report we will try to reveal what happened during Ayatollah Khomeyni's last hours and what followed after his death.

At the meeting held in Jamaran after the removal from office of Ayatollah Montazeri, Khomeyni's successor, observers expected the election of a committee whose membership would include heads of the executive, judiciary, and legislative powers—that is, Khamene'i, Musavi-Ardebili, and Hashemi Rafsanjani—to assume the responsibilities of leader and jurisconsult immediately following Khomeyni's death. This would be done to prevent a vacuum occurring. In fact, Rafsanjani would have preferred the separation of the jurisconsult's religious responsibilities from his jurisprudence powers as was the case before the revolution. Rafsanjani suggested that religious and jurisprudence responsibilities be restored to their place before the revolution, that is, to the theological seminary in Qom. He stated that the

tradition among Iranian Shi'ites since the Safavid era has called for electing the religious authority in a direct manner. The circumstances of the revolution have put the religious authority and political authority in the hands of a single person, namely Imam Khomeyni. However, following his departure, conditions will change and, in view of the fact that Ayatollah Montazeri, who was the candidate to assume the responsibilities of both religious and political authority, is no longer qualified to assume the leadership after the imam, it is necessary to distinguish between the religious and political responsibilities of the rule of the jurisconsult and leader, and so it would be possible to sequester the senior religious authorities in Qom, Mashhad, and Najaf!

It is no longer a secret that, by his suggestion, Rafsanjani was preparing the ground for his ally Khamene'i to become leader of the revolution. Khamene'i who, until last Sunday, had the title of hojjat ol-Eslam, was not qualified to assume the religious and political leadership. For this reason, AL-DUSTUR's sources point out, a few weeks ago Rafsanjani reassured the senior ayatollahs in Qom, foremost among them Ayatollah Golpaygani—who led the prayers said over Khomeyni's body—that their religious positions will be restored to them if they recognize Khamene'i as successor to Khomeyni.

The sources added that heads of the three armed services last Saturday night formed a committee as soon as the news of the imam's death was received. On Sunday morning, the committee issued a statement announcing that the Assembly of Experts would call for an extraordinary meeting in order to elect a leader for the revolution.

The issuing of this statement coincided with a meeting held in the house of Ahmed Khomeyni, who was assured by his ally, Minister of Interior 'Ali Akbar Mohtashemi, that the security forces under the Revolutionary Committees were in control of the situation, that all of the vital facilities and establishments were under the control of these forces, and that consequently neither Rafsanjani nor anybody else could stand against him (that is against Ahmed). AL-DUSTUR has learned that Minister of Intelligence Reyshahri, Revolutionary Guard Commander Mohsen Reza'i, and Khomeyni's representative to the Guard, 'Abdollah Nuri, were present at this meeting. However, those present at the meeting were surprised by the news of the Assembly of Experts meeting at 1200 on Sunday because not all of the 84 Assembly of Experts members were available in Tehran. It was learned later that, under pressure from Rafsanjani, the assembly met, attended by whatever members were available. Despite the fact that one third of those present opposed the proposal by Rafsanjani, speaker of the Parliament and deputy chairman of the Assembly of Experts, who chaired the meeting before the arrival of Assembly of Experts Chairman 'Ali Meshkini, Khamene'i was able in the end to win by a small majority.

As a counter to Rafsanjani's proposal to appoint Khamene'i as leader of the country, a proposal by Meshkini called for the establishment of a leadership council consisting of Ahmed Khomeyni, Khamene'i, and Meh-davi-Kani.

But after President Khamene'i read a message from Meh-davi-Kani to the Assembly of Experts expressing support for him, the proposal obtained only 17 votes. It is worth noting that Meh-davi-Kani was visiting London when Ayatollah Khomeyni died and was recalled to Tehran. Before his arrival in the Iranian capital on Monday morning, Meh-davi-Kani sent a telegram to the Assembly of Experts expressing his allegiance to Khamene'i.

Thus Ahmed Khomeyni and his allies lost the battle of succession, or rather the first round of it.

A few hours after Khamene'i was appointed, the security forces were seen withdrawing from the capital's street and being replaced by army units and police. According to AL-DUSTUR sources, Khamene'i, in his capacity as commander in chief of the Iranian Armed Forces, ordered the minister of interior to withdraw the security forces. Mohtashemi could not refuse complying with such an order, it having come from the commander in chief. This is despite the fact that Mohtashemi still refrains from declaring allegiance to Khamene'i. While certain "sources" expect, after the expiry of the 40-day mourning for the imam, a real confrontation to take place between Ahmed Khomeyni and Khamene'i, whom the majority of Iranians regard as temporary commander or leader by installment [as published], and Rafsanjani, whose victory in the presidential election has already become a certainty. There are signs indicating that Montazeri, Khomeyni's deposed successor, is now under great pressure to declare his rejection of Khamene'i's leadership and to offer himself as the legitimate and real leader of the revolution.

AL-DUSTUR's sources in Iran say that the appearance of Montazeri's pictures and the distribution of leaflets at Khomeyni's funeral calling for allegiance to him is an indication that the deposed successor still considers himself in competition with those who participated in the conspiracy to depose him.

The weather in Tehran is hot, the battle is still in its beginning stage and the people, some of whose factions participated in Khomeyni's funeral, have bid farewell to the man who promised to lead them to heavens, but instead has led them to hell—the temperature of which is rising every hour.

The Imam's Link With the Americans

'Ali Khamene'i, whom the Assembly of Experts elected as successor to Ayatollah Khomeyni, was born in Mashhad 49 years ago to a religious family. Khamene'i's father, Ayatollah Javad, was a distinguished teacher in the theological seminary in Mashhad.

Khamene'i studied in Mashhad and Qom. He gained prominence as a result of the book he wrote on reconciliation between Imam al-Hasan bin 'Ali, the second Shi'ite imam, and Mu'awiyah Abu-Sufyan. While leading Shi'ite ulema criticized Imam al-Hasan for accepting reconciliation with the Omayyad caliph, Khamene'i defended his stand, drawing attention to the fact that al-Hasan's reconciliation had saved Islam.

Khamene'i joined Khomeyni's men in the sixties and lived a life of hardship in the Savak jails and in exile.

During the revolution, he represented Khomeyni at the secret talks that were being held between the opposition and U.S. Ambassador in Tehran William Sullivan with the aim of convincing the United States to lift its protection of the shah. Despite the fact that the documents recording these talks were concealed when the pro-imam students took control of the U.S. Embassy in 1979, Bazargan, who was the Iranian prime minister after the revolution, revealed Khomeyni's role in neutralizing the American stand.

Khamene'i became a member of the Revolution Command Council following the coming of his mentor Khomeyni to power. He assumed several positions, including the imam of Friday prayers for the city of Tehran and deputy defense minister. He was elected president of the republic in October 1981 following the assassination of Mohammad 'Ali Reja'i and his prime minister, Javad Bahoner.

He was reelected in 1985 and his second term of office expires in October.

Khamene'i is married and has six daughters. He plays the sitar, an ancient Iranian musical instrument, and is considered to be an accomplished orator. He also loves poetry and tries to befriend writers and cultured people.

He was the target of an assassination attempt in 1981 which resulted in paralysis of his right arm, but entering the hospital after he was wounded saved him from the death that was lying in wait for him at the Islamic Republican Party headquarters the following day. As a member of the party command council, he was scheduled to attend the meeting which ended with an explosion in the party headquarters, leading to the death of more than 89 leading members of the regime, including Ayatollah Beheshti.

Iran Trying To Get Back Planes Hijacked to Iraq
46000162a Tehran KAYHAN INTERNATIONAL
in English 25 Jun 89 pp 1-2

[Text] Shiraz, June 24 (IRNA)—Iran is trying through an international aviation organization to make Iraq return aircraft hijacked from Iran to Iraq during the war.

"The secretary general of the International Civil Aviation Organization has had many contacts with the Iraqi government and is working seriously to (convince Iraq) return these planes," said Mohammad Nabi Habibi.

The head of the Iranian Civil Aviation Organization did not elaborate on the matter.

At least two Iranian aircraft, one Iran Air Airbus and one Falcon plane belonging to Aseman Airline Company were hijacked to Iraq in 1984 and 1986.

Habibi also announced that a major international airport would go under construction along the Tehran-Saveh highway this year with an initial credit of 7.7 billion rials (\$102.6m).

He described the project as one of the most important plans by his organization in the current year. When completed, it would reduce traffic considerably at Tehran's Mehrabad airport.

Habibi said the new airport would be named after the late Imam Khomeini if it receives government approval. It had previously been named 7th of Tir airport in honor of the martyrs of the June 18, 1981 bomb explosion that killed many senior officials.

The project was first proposed in 1957 but construction was delayed many times. The plan was revived after the victory of the Islamic Revolution but the Iraqi war forced officials to postpone construction once again.

Meanwhile, construction of a new flight terminal at Shiraz airport will start shortly and the terminal for hajj pilgrims would be completed this year.

Deputy Minister Details Agriculture Projects
46000161a Tehran KAYHAN INTERNATIONAL
in English 20 Jun 89 p 6

[Text] Tabriz, June 19 (IRNA)—An annual fund of seven billion rials (100 million dollars) has been allocated to five agricultural projects including a plan to increase wheat production, announced the deputy agriculture minister, Javad Angaji who is currently here to take part in a seminar.

Elaborating on the project, Angaji said that some 400,000 acres of land would be brought under wheat cultivation that year, and that the total land under wheat cultivation would be increased to two million acres during the next five years.

Angaji noted that out of the 400,000 acres mentioned 250,000 would be brought under mechanized wheat cultivation, while the rest will be left to traditional methods of farming.

Referring to other agro projects, he said that the fund would be spent on plans to fight weeds and plant pests, as well as production and distribution of 16,000 tons of fertilized wheat seeds and 130,000 tons of approved seeds.

He deplored the fact that due to the wearing out of the combine-harvester machines, about 30 percent of wheat production or 800,000 tons is wasted every year. But, he added, thanks to the efforts of the Majlis, some 250,000 advanced combine-harvesters have been purchased from West Germany which would soon be put at the disposal of wheat cultivators in different parts of the country.

Moreover, Angaji noted, Iran's combine-machine manufacturing factory has been ordered to increase its production to meet parts of the country's needs. To this end, the factory is producing four harvesters every day, he added.

Elsewhere in his speech at the seminar, Angaji referred to projects to boost cotton cultivation in Iran, and said that during the next 5 years land under cotton cultivation would be increased from 180,000 acres of 215,000 acres. The annual cotton yield is expected between 320,000 tons of 450,000 tons, once the project is implemented, he added.

Population To Reach 108 Million by 2011
46000163a Tehran KAYHAN INTERNATIONAL
in English 20 Jun 89 p 6

[Text] Tehran, June 19 (Kayhan International)—Minister of Housing and Urban Planning Serajeddin Kazerouni said here Sunday that by the year 2011, Iran's population is predicted to reach 108 million.

Addressing the participants of the Seminar of Construction Materials and Methods for Construction of Residential and Public Buildings held at the Tehran University, he said that currently there are 500 cities and towns in Iran.

"There are 149 and 10,000 villages in the country, each hosting over 5,000 and 10,000 peoples, respectively and have conditions for becoming towns," the minister added.

He pointed out that according to the country's five year social and economic development plan, 12 new cities with capacity to host 300,000 to 500,000 people would be constructed in different parts of the country.

"The construction of five of those cities have been stated," Kazerouni added.

He stated that 50 percent of Iranian people live in residential units, each unit covering less than 50 sq meters of space.

Birth Certificates To Be Computerized

46000163b Tehran KAYHAN INTERNATIONAL
in English 21 Jun 89 p 2

[Text] Semnan, June 10 (IRNA)—The personal data of every citizen will be stored in computers under an exclusive code-number valid for the next 120 years, an informed source at the civil registration office said Sunday.

The official said that a plan underway to computerize birth certificates would cover all those born in the current calendar year (to end March 1990).

The last few years birth average in Iran was 6,450 babies per year, the official said.

Those born between 1974-79 number between six to seven million and will receive the new birth certificate of the Islamic Republic this year, he said.

So far 24 million new birth certificates have been issued, he concluded.

Social Welfare Ministry To Be Established

46000162b Tehran KAYHAN INTERNATIONAL
in English 25 Jun 89 p 6

[Text] Tehran, June 24 (Kayhan International)—In case of the ratification of a bill by the Majlis (the Islamic Consultative Assembly), a new ministry named Social Welfare will be established in Iran which will directly or indirectly provide welfare services for 11 million children under the age of six.

Deputy head of Iran's Welfare Organization, Ali Hamidi in an interview with the Islamic Republic News Agency (IRNA) said that the new ministry would be formed by merger of the Welfare Organization, Red Crescent of Iran, Janbazan Foundation (War Disabled Foundation), martyr Foundation, War Refugees' Affairs Foundation, Imam Khomeini's Relief Committee and some other welfare organizations.

He said that the Welfare Organization supports 280,000 needy people with annual expenditure of Rials 7.5b (\$107m).

Hamidi said that currently 1,000 rural welfare centers are active throughout the country.

"During the current Iranian year (March 21, 1989-March 20, 1990), 60 new rural welfare centers will open in Iran," he added.

He went on to say that 2,250 rural and city kindergartens take care of 70,000 children, across the country.

He pointed out that the organization has allocated Rials 3b (\$42m) for the welfare of disabled and their families for the current Iranian year.

He concluded that so far the organization with its 16 drug addicts' rehabilitation centers in 11 provinces has succeeded to rehabilitate 6,000 drug addicts.

Construction of Three Dams Planned

46000161c Tehran KAYHAN INTERNATIONAL
in English 25 Jun 89 p 6

[Text] Tehran, June 23 (Kayhan International)—Minister of Justice, Bijan Namdar-Zanganeh said in Sari, the capital of Mazandaran Province over the weekend that three giant dams, with total investment of Rls. 40 billion (\$571m), would be constructed in the Mazandaran Province.

According to the Persian daily ETTELA'AT, he said that the new dams will provide agricultural waters for 25,000 hectares of rice fields and citrus gardens in the western region of the province.

"The dams will also generate 53 million Kws of electricity," the minister added.

Zanganeh said that the dams would be constructed on the Chalus, Sardabrud and Cheshmeh Gileh rivers.

Meanwhile, governor of the Central Bank of the Islamic Republic of Iran, Majid Qasemi who accompanied Zanganeh in his trip to the Mazandaran Province said that the central bank has allocated \$160m for purchasing spare parts for power plants throughout Iran.

He said that currently the banking system of the country is ready to invest on major development projects of the country.

Millions Allocated for Literacy Campaign

46000161b Tehran KAYHAN INTERNATIONAL
in English 21 Jun 89 p 6

[Text] Kerman, June 20 (IRNA)—A 13.57 billion rial budget (\$180 million) has been allocated for the campaign against illiteracy this year, a local official of the Literacy Movement announced Monday.

"According to a Prime Ministry directive, unlettered civil servants under the age of 45 have been given a deadline until next March to become literate or else would be deprived of social services.

The Labor and Social Affairs Ministry has drawn up a plan to educate under 45 year old illiterate workers across the country from next March, and to ban employment of unlettered workers as of 1991.

PAKISTAN

PPP Accused of Starting Dynasty Rule

46560043b Karachi JASARAT in Urdu 23 May 89 p 4

[Editorial: "Dictatorship and Democracy"]

[Text] The confused government of the Pakistan People's Party [PPP] is in control of our country. Daughter Benazir is the prime minister and mother is the party chairperson and the senior minister. The father-in-law has a very important position with the government. The prime minister speaks in support of her party in public meetings. In various meetings arranged by the government, great feats accomplished by party are recounted. Other parties are insulted and accused of crimes and flaws that do not even exist. The prime minister is representing the PPP instead of representing the government and explaining its policies. The PPP flags are visible everywhere in meetings while the national flag is not even seen there. The prime minister had stopped raising the slogan of socialism being our economic system for some time, but she raised it again at the Chitral meeting. The cat is out of the bag now. They have even stopped the false propaganda about following the Islamic economic system and the Islamic religious principles. Now the majority of Pakistan's Muslims know the real truth about the PPP. They know that the Muslims do not get their way anymore and that there will not be any Islamic government here. Those who thought that the PPP was fed up with the anti-Islamic form of government, the socialist system, are in a for big surprise. They will learn that the PPP has not changed its policy at all and this party is really the successor of Mr Zulfikar Ali Bhutto's People's Party. This party is waiting to gain power before it implements the ideology it has inherited. It has been in power only for 6 month, but it has already removed restrictions on nudity and immodesty. Socialism is being propagated on radio and television. Imaginary plays are being broadcasted to prove some false accusations. Poetru conferences are being used for political propaganda. Traitors and anti-Islamic groups are being encouraged and Islamic educational programs are being phased out gradually. The people are getting the impression that ever member of the ruling party has all kinds of freedom in a democratic country. If a person belonging to the opposition parties says anything or does anything, he or she will be called an enemy of democracy and a supporter of martial law.

The PPP should not forget that this is the time when many old ruling dynasties are dying and democratic governments are replacing them. The PPP is trying to establish the rule of a dynasty under the guise of a democratic government. Pakistan is not the property of some dynasty. Muslims won this sub-continent after sacrificing lives and property that is unparalleled in history. The purpose of Pakistan was to establish God's law with popular support. We will never let a secular or socialist government be established here. Pakistan's economy will be based on Islamic principles. The PPP is

grossly mistaken if it thinks that it can establish its own brand of government by ignoring the rights of the Muslims. The proud and religious Muslims of Pakistan will never be willing to accept a personal or family government. The PPP which has actively opposing dictatorship is also paving way to boost family power and personal type of government. It should know that its dream will never be realized and Pakistan's people who have never accepted dictatorships will not accept a dynasty.

It is a fact that the PPP was instrumental in bringing in the last martial law and it is depressing to note that the PPP is paving the way for another martial law regime. The people of Pakistan are strongly opposed to dictatorships, personal governments, and dynasties. They want a democratic government based on Islamic law and these are essential for the survival of this country. We are advising the ruling party to learn from previous mistakes and abandon this plan to lead the country towards destruction. This is necessary not only for the country's welfare, but also for the PPP's survival.

Government Accused of Hiding Sindh's Problems

46560042 Karachi JANG in Urdu 22 May 89 p 3

[Article by Isthiaq Azhar: "Federal Cabinet Decisions and Sindh's Conditions"]

[Text] From the statement issued by the federal minister of state for information and broadcasting at the end of the last federal cabinet meeting there appear to be two or three very important issues related to Sindh. First, the federal government is well aware of its responsibilities about peace and security and it sees the situation improving since the democratic government was established there. Second, the report submitted by Sindh's chief minister to the federal cabinet is not unsatisfactory according to the information given to the newspapers. He insists in this report that the movement of Sindhis from rural to urban areas is almost negligible. Only few people have temporarily moved their residence to urban areas. The federal government does not only agree with this analysis, but also is telling the newspapers to double check such news items before they are published. The federal minister's words do not point to any censorship at all. However, we cannot ignore a hint given by a spokesman of the government which has levied 3,000 rupees tax on a ton of newsprint.

When the federal minister shared the cabinet decisions in his press briefing, he was naturally asked about General Mirza Aslam Baig's recent press conference. The federal minister is correct in saying that the chief of army staff has not expressed any negative feelings about the federal government in Sindh. It is also correct that the federal government has the right to make decisions about Sindh. However, the fact about removing military personnel from the check points established to guard the cities after the democratic government was established cannot be denied. This action was taken at the order of the federal government. All that happened in Sindh

during the 5 months after these military posts were closed cannot be blamed on any other organization. There are more contradictions than agreement between the statements of the federal minister of state and television report on General Mirza Aslam Baig press conference. General Baig's statement, "military leaders must keep contact with the local governments in areas where peace is disrupted," indicates that there is no agreement between the information receiving by Sayyed Qaim Ali Shah and what the military intelligence department has learned. The country will learn the truth about Sindh only when the facts collected by Ghulam Haider Wain, leader of the opposition in the National Assembly, and his associates in Karachi, Sakkar, and Larkana during their recent tour of Sindh and the information that is available from MQM [Muhajir Qaumi Movement] members of the National Assembly are made public.

Despite Sayyed Qaim Ali Shah's efforts to keep the deteriorated situation in Sindh, Makhdom Khaliq Alazman, PPP [Pakistan People's Party]'s senior vice chairperson's son, has declared Sindh's government inept and demanded Sayyed Qaim Ali Shah's resignation. The federal minister's approach in addressing the national newspapers would have been entirely different if the federal cabinet had reviewed the recent speeches made by the PPP leader who heads the Sindhi Qaumi Ittehad [Sindh National Coalition] and which are still fresh in the newspapers, read the materials printed in Sindhi newspapers, and had acquainted themselves with the "prescription" appearing in the educational journal edited and published by the federal minister of education.

Whether the federal government or Sindh's province government admits it or not, the whole country is well aware of the fact that the children of those who established Pakistan have shown great patience despite the extremities practiced in Sindh.

The third important happening at the time of the federal cabinet's recent session was Benazir Bhutto's very important meeting with the chief ministers of Sindh and Sarhad. Nothing about this very important meeting was made public. However, it is clear that this meeting has to do with the resignations of ANP [Awami National Party] ministers in Sarhad and MQM ministers in Sindh. It has been learned that both ANP and MQM complain that the PPP has not sincerely followed up on its promises. In Sarhad, it is in the open now that the ANP has stopped supporting the PPP and the central ANP leadership considers the PPP-ANP agreement null and void. In Sindh, however, even after the resignation of the three MQM ministers from the Sindh cabinet over the lack of follow-up on PPP-MQM agreement, MQM has now openly announced that their agreement with the PPP has finished. However, after the federal education minister announced that the PPP-MQM agreement was limited to Sindh only and when Benazir Bhutto did not contradict it, it is obvious that the 14 MQM members of the

National Assembly are not bound to the PPP by any agreement. They are now in a position to play the role of an independent group as they are the third largest party in the National Assembly. As for other actions in regards to peace in Sindh, the resolutions passed in the Muslim League convention held in Karachi are very important. These resolutions show total disagreement about the situation in Sindh as expressed by Sayyed Qaim Ali Shah and the federal cabinet.

What was said and done by the Pakistan Muslim League party about Sindh is beyond our ministry of internal affairs. Was it impossible for the National Assembly members elected from Sakkar, Larkana, Jacobabad, Shikarpur, and Khairpur to take out a procession for peace in Sindh just like the one the leader of the opposition took out in Sakkar? Was it against the law for the elected Assembly members to go visit effected families like the leader of the opposition did in Sakkar and Larkana? Both of these questions need some clarification.

The third important aspect of the situation in Sindh is the news articles and comments that are published in outside newspapers and are read by our countrymen. Are these photographs published in national newspapers imaginary? The pictures talk and we cannot say they are wrong.

In our opinion it is incorrect to say that the situation is improving in Sindh and that there is no migration occurring there. These members of national and state assemblies who are associated with Sindh would have been doing their job properly if instead of sitting in their fancy homes and issuing statements had visited homes [in slums] from Karachi to Kashmir like Ghulam Haider Wain did, consoled the effected families, provided the necessary protection to non-Sindhi students attending colleges in Sindh, and tried to make the people who were scared return to their homes. Now that we have walked on the moon and have taken mars in our sphere, people trying to hide some lies will only hurt themselves. The world has become very small. People in Laos learn about an incident in Los Angeles within a few minutes. The chief minister of Sindh is totally wrong if he thinks that what is said in his home, in meetings, and in various government offices in Larkana, Karachi, and Rawalpindi will stay within the four walls of these buildings. There can be no distance between the people and their leaders. Therefore, it is appropriate to accept the facts and find out what is wrong with the country. They must stop the practice of trying calm the people by giving them lollipops! Problems are not solved by making excuses; they need serious attention.

'Sindh Card' Against Benazir Administration

46560040 Lahore NAWA-I-WAQT in Urdu

20 May 89 p 9

[Commentary by Yusuf Khan: "Sindh Under Peaceful Assault by Muslim League"]

[Text] Agreement reached between Mohammad Khan Junejo, president of Pakistan Muslim League and Mian

Nawaz Sharif, president, Islamic Democratic Alliance, has paved the way for Muslim League to start a new era in Sindh. Pakistan Muslim League which has decided to use the "Sindh Card" against Prime Minister Begum Benazir Bhutto, faces a strong challenge to make its existence felt in a province dominated by the election power of Pakistan People's Party and Mohajir Qaumi Movement [MQM]. Pakistan Muslim League is just beginning to recover from its November 1988 and Nawaz-Junejo accord can play a vital role in making this organization active once again. Mian Nawaz Sharif and his colleagues held wide ranging discussions with Mohammad Khan Junejo in KDA [Karachi Development Scheme] No 1. Chaudhry Shujaat Hussain, Ghulam Haidar Daein, Manzoor Watto, Hameed Nasser Chatha, Sartaj Aziz, Iqbal Ahmed Khan, Nissar Mohammad Khan, Chaudhry Abdul Ghafoor and Islamuddin Shaikh participated in the discussions which helped iron out the misunderstandings between them. The reconciliatory talks held late at night in the Clifton area of Prime Minister Begum Benazir Bhutto are said to have played a major role in bringing the two leaders together. During the caretaker government after the demise of General Mohammad Ziaul Haq, these two leaders had become opponents. In addition to this the marriage of the daughter of Prof Manzoor Ahmed, secretary general of IGI [Islamic Democratic Alliance] also contributed in creating a suitable atmosphere. Muslim League leaders of the Punjab and Sindh attended the marriage ceremony in large numbers. Steps had already been taken for ending the cold war between the central president of Muslim League and the president of the Punjab during this ceremony which was a prerequisite for both Mohammad Khan Junejo and Nawaz Sharif. Despite his best efforts the chief minister of Sindh failed in enhancing his political stature on the central level, whereas the actions of Junejo were limited to Khapra. He was under the impression that he was being isolated from political action. When Nawaz Sharif arrived in Karachi, as expected Junejo had already left on a visit to North-West Frontier Province. The separation of the two leaders was naturally proving beneficial to their adversaries. After meeting with Junejo, Nawaz Sharif said that there were no longer any differences between them and that their relations were very good. What was the reaction of the friends of Nawaz Sharif's caretaker period towards the reconciliation between him and his old friend?

Ghulam Mustafa Jatoi, Chairman of National People's Party, when asked about this accord, replying somewhat carelessly said that he does not know if the relations between Nawaz Sharif and Junejo were deep or frivolous and added that it did not concern him. Jatoi's indifference was natural because during Junejo's regime he considered him as his adversary and believed that as a result of the elections he would have to confront him instead of Benazir Bhutto in his contest for the premiership of Pakistan. But the twist of fate placed both of them in the same boat as opponents of Benazir Bhutto. Jatoi improved his position and due to "the Khar factor" got himself elected to the National Assembly from Kot

Adu and in this respect became qualified for the post of premiership. But in Sindh he is facing stiff opposition both from his own people and outsiders. Jatoi in his efforts to defeat Benazir Bhutto helped Jam Sadiq Ali in his future prospects and he contacted the exiled bearded leader of Pakistan People's Party a number of times. Pir Pagaro is of the opinion that Jam Sadiq Ali is waiting for an opportune moment to carry out his plan. Despite Jam Sadiq Ali's denial people believe him to be a candidate for the Sindh premiership, and this has created a very serious situation for Qaim Ali Shah, the chief minister of Sindh.

Pakistan Muslim League and the Islamic Democratic Alliance have been very late in diverting their attention towards Sindh. For four months after Pakistan People's Party came into power IGI and PML [Pakistan Muslim League] were busy engaged with the problems of Punjab as a result of which politically agitated Sindh Province was to a great extent ignored. The deteriorating situation and linguistic riots in Sindh had already claimed more than 3000 lives. Nawaz Sharif on the occasion of making his debut into Sindh and offering to help maintaining law and order in the province said that the issues at hand were not power and authority but the safety and security of the country. But the People's Party considers this as intervention in the affairs of the province. The chief minister's youthful advisor Iqbal Yusuf said that the Sindh government has documents to prove that the chief minister and the ministers of Punjab are involved in the violence and lawlessness in Sindh. The People Party's leadership in the province feels that it would be in the interest of IGI to hold it accountable for Nawaz Sharif's activities. One of the leaders of PPP [Pakistan People's Party] has said that provincial characteristics dominate IGI but that they would not allow it to acquire national status. The PPP and MQM are the only two parties that dominate Sindh politics. Mohammad Khan Junejo himself is of the opinion that there are only two major parties in Pakistan: PML and PPP and that latter could be defeated by strengthening PML, and as such it was necessary to organize the ranks and files of this group. But the question is whether the leading landlords of Sindh who left the party that was in power till 29 May 1988 to join another party which will be coming into power on 2 December will be able to tolerate any kind of adventurism during the prevailing situation? This will certainly take time and the Pakistan Muslim League will have to be patient and not take any rash action, as was done by PPP during its mission to overthrow Nawaz Sharif as a result of which he is very strong in the province. A Muslim League leader said that IGI has made significant progress in Sindh. Nawaz Sharif, after Benazir Bhutto came into power, at least for the first time even though for the time being is not worried about safeguarding his position. As opposed to him Benazir Bhutto, in addition to the opposition in Punjab, crisis in Sindh, dispute in the North-Western Frontier province is engaged in power struggle in Baluchistan.

In view of this situation, Nawaz Sharif has launched a peaceful drive in Sindh with full force. This has benefited the non-Sindhi population in the interior of Sindh to the extent that it has stopped their exodus. PPP government has been forced to adopt a defensive policy. In the opinion of Benazir Bhutto's Muslim League opponents, Pakistan People Party's government has failed miserably in Sindh, where it claims to have 100 percent backing of the people, because MQM represents Urban Sindh as its ally. In view of this, the Sindh government has been called to resign and obtain a fresh mandate in Sindh.

How the PPP government will resolve the Sindh problem is not known. But the Chief of Army Staff General Mirza Aslam Beg, describing the situation in Sindh as serious has urged that besides taking punitive action political measures should also be taken. When Prime Minister Begum Benazir Bhutto arrived in Karachi from her home town Sukkur, she was asked the very same traditional question about the situation in Sindh that was put to both late General Mohammad Ziaul Haq and Mohammad Khan Junejo. She said that the situation in Sindh was not as bad as it used to be under the IGI regime, when the whole province was under a state of siege and massacre and bloodshed was rampant. She said that as a result of the measures taken by the PPP government, violence had considerably reduced. The urban and rural population of riot-torn Sindh are perplexed and do not know whom to believe and wonder as to when the situation in Sindh would stabilize. The chief minister's advisor Iqbal Haidar on his return from a tour of the interior of Sindh spoke warmly about the situation in Sindh. He said that Nawaz Sharif will not be allowed to interfere in the affairs of Sindh, that there has been no large-scale exodus of people from Sindh and that it was not a big deal if a few hundred people had gone to Karachi from the interior of Sindh and wanted to know what about 500,000 people who leave Punjab and northern regions every year to settle down in Karachi. Iqbal Haidar said that PPP's government will take journalists on a tour of Punjab to show them the situation prevailing in Nawaz Sharif's Punjab, where anxiety and uneasiness was widespread among the students and the workers. After Nawaz Sharif visited Karachi in March, Pakistan People Party government's youthful minister Makhdoom Rafiqul Zaman announced that a delegation of his party workers and ministers would be leaving for Sindh. But this announcement has yet to be implemented.

Bureaucratic Inefficiency Reported

46560044a Karachi JANG in Urdu 26 May 89 p 3

[Editorial: "The Undertakers Will Come From Kabul, the Shroud From Japan"]

[Text] According to a report, the government of Pakistan requested the U.S. AID [U.S. Agency for International Development] organization to prepare an investigative report concerning the promotion of agribusiness and the establishment of industries based on agriculture. The report also says that in order to specify the obstacles

existing in the path of agricultural businesses and industries, AID has started a series of seminars throughout the country. Cooperation has always been a basic feature of human civilization and in these progressive times, even a great power does not think that it will continue on the path of success without help and cooperation from others. But one should not forget that there is a difference between cooperation and giving a crust of bread and a sip of water to a man who has lost all confidence in himself. Undoubtedly, when Japan and the United States act in cooperation with each other, such action does not create feelings of shame or regret in either country. Similarly, when Taiwan, Korea or Singapore request cooperation from progressive countries, they utilize such help in the manner of alive and vibrant societies so that they benefit from it without making the aid giver regret its action. In our system, on the other hand, things are done in quite a different manner. In the first place, we do not feel the need for cooperation with others, not because we do not require such cooperation, but because the presence and activities of foreign experts interfere with our dishonest and corrupt actions. Our wheeling dealing kingpins can no longer use our national wealth without hindrance to build mansions and bungalows for themselves. If, for some reason, our authorities are forced to seek foreign cooperation, they punish the country and the nation for this "forced" action by withdrawing themselves from work; they throw full responsibility for their own work on the foreign experts and busy themselves with other "important" work. The performance of our national institutions has fallen to such a low level that, in the hands of our "experienced" rulers and administrators, even the world's most profitable business falls in the red. All efforts to stop this loss fall prey to the "ingeniousness" of our authorities. We have been told that 15 out of the 25 milk plants in our country have been closed because of imported dry milk. No one cares to explain as to who has given permission for the free import of milk into the country. Is there so little contact between the different branches of the government that one section does not know what effect its policy is having on the others? Such disclosures make one feel that from top to bottom (of bureaucracy), no one is concerned with the interests or progress of this country and its people. Everyone is concerned only with lining his own pockets and preserving his own interests; they do not consider it their job to think of the extent of the damage their shamelessly selfish attitude does to Pakistan and the nation. As long as the spirit of independence and the sense of national responsibility remains lacking in our institutions and administrators, even the most advantageous cooperation will not benefit the country. To create a fertile environment by the use of irrigation, the ground has to be cleared first. Have our planners even given thought to this aspect of the problem or do they consider it their duty only to add to the nation's worries and anxieties by announcing the losses caused by their own incompetence and corruption?

Governments Blame Predecessors

46560044b Karachi JANG in Urdu 28 May 89 p 3

[Article by Brig (retd) Abdul Rahman Siddiqi: "Thought for Today"]

[Excerpt] [Passages omitted] Taking note of countries which have been faced with crises, one finds India among the top ten; but in the reports and commentaries appearing in Indian newspapers and other media of communication, one does not find any discussion about why the country was established and whether it would survive.

In our country, whenever the integrity and safety of the country comes under discussion, the impression is somehow conveyed that Pakistan is a mere house of cards which might topple at the slightest touch, that it is not a concrete geographical and historical fact; this latter quality enables a country to pull through and survive no matter what the hardships and misfortunes it has to face. The country is not a temporary nest which will be knocked down by a gust of wind.

Every time a new leadership comes into office, it tries to create the impression among the people that not only is its survival and that of the country one and the same thing, but that they are also so intertwined as to be inseparable. If this claim implied an unalterable commitment by the government to the integrity and survival of the country, then it would be a laudable statement. Unfortunately, the fact is that such claims by those in office are aimed at representing their own power, its preservation and prolongation as the guarantee and even the justification for the survival of the country. They are constantly trying to create the impression that as long as they survive, so will the country and if they do not, neither will the country. Thus, an enduring reality such as the country is made conditional on an ephemeral thing such as high office. Thus, shadow appears as substance and substance shadow. A threat is hidden as well between the lines: do not bother us or you will lose the country and become homeless wanderers. God forbid!

Such claims and views are partly aimed at preserving and prolonging power and are partly criticism and even outright vituperation against the previous administration. The survival and safety of a country depends to a great extent on the continuation and preservation of its institutions. Governments and rulers come and go; they may be here today but not necessarily here tomorrow. Sooner or later, they will have to go. But institutions, judiciaries, assemblies, administrations, armies, media of communication, culture, religious values and beliefs will remain and ensure the continuity without which a country may retain geographical entity but lose national unity. When governments leave office or are removed from office, they have to account to their own people. Accountability may be through elections or revolution; but when the change is completed, the government

coming into office should leave the analysis of the past to historians and commentators and devote itself to the reconstruction of the country. But we have a ritual in our country whereby our governments, after assuming office, are content to waste their time mostly in attacking their predecessors and holding them responsible for all the existing social ills [passage omitted].

Punjab Steps To Make Province Islamic Welfare State

46560041b Lahore NAWA-I-WAQT in Urdu
28 May 89 p 10

[Editorial: "The Establishment of Islamic Welfare Social Order—A Welcome Beginning in Punjab"]

[Text] The chief minister of Punjab, Mian Nawaz Sharif, while announcing the important steps for the establishment of an Islamic system of government in the province, has expressed his determination that the provincial government of the Islamic Democratic Alliance [IJI], while staying within the framework of the Constitution, would continue its struggle to establish a complete Islamic welfare social order in Punjab. In this regard, a public treasury has been established with 100 million rupees. A motion for the obligatory prayer is being initiated. Mosque committees would be formed which would have the authority to issue character certificates. Specific time would be allotted in schools to teach the reading of the Holy Koran. Students who have memorized the Holy Koran would be given special marks.

Practical steps would be taken to establish universities for the women only. The administration would be accounted for through open courts. An organized effort would be made to end obscenity, and no permission would be granted to display obscene posters. The police would be made accustomed to take action according to the law. Besides these, many other measures also have been announced, which would prove helpful in the establishment of an Islamic welfare society. The fact of the matter is that being a theoretical country, soon after the establishment of Pakistan, an Islamic system should have been enforced in this country. In the light of the Islamic teachings and in an era of modern civilization also, Pakistan, as a true Islamic welfare state, should have been a role model not only for the Muslim world but for the entire global community. Unfortunately, however, after the demise of the founder of Pakistan, the rein of the country and the nation was held by such elements to whom nothing was dear except personal power. If anyone did proclaim Islam, it was extorted merely as a slogan of display, and an effort was made to always play with the feelings of the people only. As a result of this, the spread of despondence and distrust within the country was nevertheless certain. However, on the international level, the anti-Islam forces also gained an opportunity to propagate that Islam as a social order and as a system for state and government is impractical. The strange thing is that during the previous martial law era, the name of Islam was used to impose

personal dictatorship also. But, despite all the high-sounding claims, some such showy steps were taken for the true enforcement of Islam, which were devoid of the true Islamic spirit. However, despite playing a constant joke with Islam, the passion and longing to enforce an Islamic system could not be erased from the hearts and minds of the Pakistani people. The wielding power of this inclination could be clearly witnessed in the recent elections as well. Particularly the IJI had declared its election manifesto's ultimate goal to be the establishment of an Islamic welfare society. One basic point of the manifesto of the other party that has come into power, that is the PPP [Pakistan People's Party] is also connected with Islam. Thus both parties with regard to their respective manifestos stand committed to the enforcement of Islam. However, instead of moving the measures of the previous eras ahead, the matter now appears quite to the contrary. First of all, the strife between the two parties has totally suspended the Zakat (religious tax) system. Perhaps no time is yet available to pay attention to the remaining Islamic phenomena; since both major parties simultaneously existing in the government and the opposition are in a severe conflict with each other. Although, in the capacity of restoring democracy and being a government elected by the people, their hands now are stronger than every past administration. If they demonstrate seriousness, and try to mould the society into a true and real Islamic fashion, there is no reason why exploitation, extortion, corruption, immodesty, bribery, hoarding and smuggling, etc., cannot be eradicated from the society.

The Islamic social order also demands the fact that the life and property of the citizens should be safeguarded, hooliganism should be ended, the fire of linguistic, racial and party prejudices should be extinguished, quick and inexpensive justice should be provided to the people and the administration should be made a true servant of the people. In fact, these are the very objectives which should be in view of every government of Pakistan. Their attainment alone can grant Pakistan the form of such a modern Islamic welfare state, for which the honorable Quaid-e Azam and other elders of ours struggled and secured Pakistan. Anyway, the present IJI government of Punjab on its own behalf has announced some measures to accomplish those objectives, which should be welcomed. It should also be hoped, however, that this announcement is not merely for the name sake, rather the provincial government of Punjab would also act upon these measures with utmost seriousness and swiftness. Also that this initiative taken by it could become a source of conformity for the remaining provincial administrations and the federal government also.

Proposal To Popularize English Criticized

46560043a Karachi JASARAT in Urdu 17 May 89 p 3

[Editorial: "Rejecting the Constitution"]

[Text] The latest proof of the People's Party's anti Islamic policy is the statement made by the federal

minister of education Ghulam Mustafa Shah. He has tried to hurt Urdu's 40 years old position and has suggested a strange proposal about making English as medium of instruction.

The PPP [Pakistan Peoples Party] character is absolutely clear to us after reviewing its policies for the last 5 months. Activities of government communication media, statements of the top administrators, its various campaigns, and the present situation in the country have indicated that this party is playing with the future of this country. It wants even those issues on which everyone agreed to become issues of litigation. Blood is flowing in every street and narrow lane. The PPP has decided that it can benefit only when brothers stab brothers. Its interference with the eighth amendment and the constitution clearly indicates that the PPP government does not want to run this country in a simple and straightforward way. The bomb that the federal minister Ghulam Mustafa Shah dropped by questioning Urdu's position as the national language is a part of the effort to weaken the links which have united this country. Governments and its officials are considered protectors of the constitution and the laws. Mr Shah should know more than anyone else in the country that Urdu is our national language and its position is protected by the constitution. When this important minister of the PPP government announces that English should be used as a medium of instruction, he is providing foreign agents and the enemies of our country's unity another weapon. At the same time he is shredding Pakistan's constitution into pieces. Dr Ithar Qureshi, general secretary of Jamaat-i Islami, has made a timely criticism of Mr Shah's statement. No one can disagree with his analysis that this minister of the PPP has seriously hurt the constitution. His action is totally anti-national. Ghulam Mustafa Shah is already known for his anti-national attitude. He has missed any opportunity to weaken this country's foundation. There is nothing surprising in his proposal to make Urdu a subject of discussion and replace it with English as the medium of instruction. All this fits his old habit and purpose. Dr Ithar Qureshi has especially directed our attention to the fact that the constitution clearly mandates that Urdu be made the medium of instruction from first through the tenth grade within 15 years. Thus, Urdu should have been fully implemented by August last year. The PPP, instead of meeting with its constitutional requirements, has started a new problem.

What is worse? This very federal minister of education has established a committee to make a report to the cabinet. The cabinet will decide to make English the medium of instruction based on the findings of this committee. "We are from God and to Him we return!" We should praise this minister for his actions. He brought up this problem exactly when a part of the country is already showing its linguistic prejudice and acting as if the world was coming to an end. This damage to our culture and national language will be attributed to the PPP. The government has already attacked Islam,

the fundamental ideology of Pakistan. All communication media are actively involved in weakening people's morals. The people are being led away from the real purpose of their lives by exposing them to nudity, obscenity, and music festivals. Now they have brought up the issue of Urdu language. We believe that the federal minister of education could not have done this all by himself. The PPP has planned it carefully to act against the constitution in order to cause restlessness and division among the people. The education minister has made this statement to see the reaction of the people. We honestly believe that at this time when we have serious problems in our internal and external affairs, Ghulam Mustafa's statement is anti-national and as its result the people will divide even on issues they are united now. We want to remind the president that he is responsible for protecting the constitution. He should take serious note of the federal education minister's statement which is clearly against the constitution. It should be remembered that both Punjab and Balochistan are taking steps to make the national language as medium of instruction at all levels. This new mischief by the federal government in this situation might cause a new crisis and we must stop it. The Jamaat-i-Islami leader has explained various aspects of this action which could cause serious rift in the country. The whole nation has to seriously review these. The prime minister also should be aware that this serious allegation about unconstitutional act against his party will not be in her favor. She has gotten this opportunity to rule the country and must keep the national interests in her mind. Using English instead of the national language as medium of instruction calls for serious action. We believe that the nation will never allow this in any circumstance. The PPP should think about the results and consequences carefully.

Role of ISI in Past, Present Administration

46560041a Lahore NAWA-I-WAQT in Urdu
28 May 89 p 2

[Nazir Naji Column "Sawere Sawere"" "Change at the ISI"]

[Text] There probably never would have been so many comments in both the national and international press upon the transfer of a government employee as there is currently upon the transfer of the ISI's [Inter Services Intelligence] director, Gen Hamid Gul. These comments by themselves demonstrate the significance of the issue. Upon the death of General Zia, the campaign that was initiated with regard to the role of the ISI concerning India and the Western media, commenting upon that, I wrote that the capability this institution has gained because of its special relationship with the successful guerrilla warfare of our time, is a valuable asset for Pakistan. This institution is highly effective in keeping a watch over the activities of the enemies within the country also. However, I emphasized the need to stop this institution's activities which were related to national politics. In fact, such activities were also the cause of a

conflict between the elected government and this institution. The department of political supervision in the ISI was established during Mr Bhutto's tenure. At that time, however, it used to examine the activities of the politicians only. When General Zia enforced the martial law, he described himself as a soldier. Noone, however, can run a government by being a soldier only. One has to be involved in politics in order to perform this task. General Zia began his politics through the ISI. The difference between Mr Bhutto and General Zia was that the former used to gain information from the ISI and he engaged in politics through his party, whereas, General Zia accomplished both the tasks through the ISI. Reportedly this very institution performed behind the scene to secure the support of various political factions in order to postpone the elections again and again.

After the arrival of the Soviet army in Afghanistan, when the Western countries decided to help the Mujahedin, the ISI became the major source of contact between the two parties. The role of the ISI in this guerrilla warfare was undoubtedly of historic nature. The experiences and skills that it acquired during that period hold the status of a national for us. Today, if India is willing to provide some information in Sindh, it is not because of some good intention on its part, rather it is Pakistan's capability of retaliation that has been achieved through the ISI's experiments. It is but natural that an institution that has been an effective party in the guerrilla warfare against a superpower should be disliked by a country that confronts hatred from the native population in two of its most important frontier regions like the Punjab and the occupied Kashmir. The target of India is the said capability of the ISI, while that of the Western countries is the influence of the ISI which it enjoys among the Afghan Mujahedin. They believe that through this influence, the ISI creates an obstacle in the implementation of the Geneva Accord. However, no patriotic Pakistani would desire that conclusion of the said capabilities of any of its institutions, which India and the Western countries would like to witness under their respective specific goals.

The people of Pakistan dislike the capability this institution has created to intervene in national politics. No matter how skillful and sincere any government institution may be, in principle, it is wrong on its part to interfere in politics. Furthermore, its outcome is always wrong. My greatest proof to support this claim is that the ISI politics made even its own patron, Gen Ziaul Haq face political destruction. Every newspaper reader is aware of those incidents. I would, however, remark that when the Junejo administration began to emerge as a political force and after the Ojhari incident, in order to bring the ISI under its control, it decided to reach some conclusions, this institution made General Zia dismiss Junejo's very government. The professional political experts of this institution could not at all comprehend the changed realities. They thought that like the martial law era, in 1988 also, the ISI could become a political substitute for the Junejo administration.

The role of the government institutions, with regard to the political affairs, should be limited to the security of the interests of the state only. It is essential to be vigilant over anyone who conspires with the enemy or plots to ruin the public peace. However, the responsibility of formulating policies according to the interests of the state and the nation and then enforcing them belongs solely to the elected and legal government. All the government institutions should obey its orders. No administrative head of a country can tolerate the fact that some subordinate institution should try to put pressure on him. The superiority conflict between the administration and the ISU is not something new. It commenced during the Junejo era. Junejo was bent on bringing this institution under his control. He ran the risk of depriving himself of the chief ministry also, but he did not change his mind. Benazir Bhutto also had to run the same risk. A few days earlier, the prime minister had offered the nation's "Greetings of democracy" also. The second time, she herself had to give a threat of resignation. This time, however, intelligence and wisdom prevailed. Due to President Ghulam Ishaq Khan and Gen Aslam Beg's respect for the law and constitution, the prime minister, in order to use her authority, did not have to face the obstacles which Mohammad Khan Junejo was the victim of.

The new head of the ISI, Retired Gen Shamsur- Rahman Kallue has been a soldier by profession. He is respected by both the army and the people. It should be anticipated that General Kallue would not only prove capable of preserving the institution's abilities to protect the defense and integrity of the native land, rather he would enhance them. It would also not be wrong to expect from him that now if even those who appointed him, would like to utilize his services with reference to the internal politics, he would refuse it. I cannot agree with those people who connect a person's transfer with the national integrity. Individuals come and go constantly. God willing, Pakistan would always remain established and eternal.

Commentary Views Government Media Policy
46560039 Lahore NAWA-I-WAQT in Urdu
17 May 89 p 3

[Editorial: "Press Freedom - Claims versus Actions"]

[Excerpts] Javed Jabbar, minister of state for information and broadcasting, announced while addressing a meeting that all restrictions on press have been revoked. He added that it was not the question of freedom of press but rather the question of standards for the news media that needed discussion. Due to the organized efforts to suppress democracy and invite autocratic administrations in our country we have not seen any kind of political accountability established in our country. Journalism also has suffered from censorship and various kinds of controls. [passage omitted]

The present government came into power at a time when the notorious press and publications ordinance was being changed and the journalists were trying to reduce the government control over the media. The present government took an admirable step and removed restrictions on airing the activities of the opposition. However, this is not true anymore and the radio and television news have become "ministers' messages" again. Still, it is much better than it was in the past. Mr Irshad Rao, secretary for the ministry of information and broadcasting, announced the other day that there will be specific slots for broadcasting news about the activities of the ministers and the opposition. In other words, the opposition news will not be included in 'Khabarnama' (the regular news program). If coverage of various ceremonies involving ministers are not to be included in the 'Khabarnama,' then it would be fair to have a separate time slot for prime minister's speeches and ceremonies. The practice of giving half or less of the 'Khabarnama' time to the prime minister and making it 'prime ministernama [prime minister's program] should be stopped. Following the tradition established by earlier governments, they still air some program showing activities of the prime minister after the regular 'Khabarnama.' We cannot complain if efforts are made to give some credibility to 'Khabarnama' following the example of other democratic countries. It should, however, still remain the 'Khabarnama.'

The second major step the new government has taken is to end the government control over the news media under its new media policy. However, the effect of this step was neutralized when the government levied Rupees 3,000 import tax on per metric ton of newsprint material. The secretary for information gave this "good news" during his discussion on the news print issue on the television that this duty might be increased. The government had decided to levy import tax of 6,000 rupees per metric ton. Now the federal minister has shared the "good news" about decreasing advertisements in newspapers in order to balance the rates among newspapers with large and small circulation. This means that newspapers with national circulations cannot increase their advertisement rates. This would negatively affect the income of these newspapers. [passage omitted]

In other words both the advertisement rates and the number of advertisements will be reduced to bring these newspapers to the level of regional newspapers. The government does not appear to understand that it will reduce income of these newspapers. The government does not seem to see any conflict in its decision. In our opinion contradiction is hidden right in this statement. There may not be much relationship between the freedom of press and import duty on the newsprint, but this will hurt education. The government will have to admit this sooner or later. The world is not going to end if children of poor parents buy cheap books and notebooks printed on the cheap paper!

According to a television discussion over the import duty on newsprint, the government should at least recognize the problems that this duty is causing the news papers if it does not accept the purposelessness of this tax. It should either try to end it or reduce it to an acceptable level immediately. It is sad to note that while the senior minister Mrs Nusrat Bhutto has shown that she is a realist and has decided to review this decision, her aides and advisers are trying their best to show that this decision is realistic and beneficial. This kind of approach is not healthy or helpful to the problem-ridden government of the prime minister. It was disclosed in the television discussion that some newspapers had bought paper on the [black] market in order to continue publication. During the seventies some newspapers with strong principles and independence had restored to using craft paper for printing when newsprint was not available. Freedom of press requires such sacrifices; it is not handed out on a plate!

Only the time will tell about the effectiveness of this media policy which the federal government is so proud of. The negative and positive effects of this policy will emerge as it is implemented. However, the government control over advertisements is still evident despite its claims to encourage freedom of the press. The government is giving extra quota of advertisements or reducing it depending on how it likes a specific newspaper. When industries are nationalized on a large scale almost 70 percent of newspaper advertisements will be controlled

by the government. We do not know if our young minister of state for information and broadcasting considers all this as a part of freedom of the press or establishment of standards for journalists! The truth is that the economic aspects of newspapers depend on the government policies. If the government is planning to control independent newspapers by reducing their advertisement quota and helping the newspapers that accept its control, then it would be very negative toward freedom of newspapers and an undemocratic action. This will not help raise standards of journalism. It is the government's duty not to use government-owned communication media for publicizing one party's views or projecting government programs. It should also make the newsprint available without the heavy import tax and pave way for removing government control on advertisements. It has promised to break up the National Press Trust. It is time that the government fulfilled its promise. It should form a media policy after input from journalists, writers, and newspaper owners. Such a policy should be beneficial to the country, promote freedom of the press, and be in accordance with Pakistan's ideology. It is the last part of the 20th century and not the right time to put direct and indirect restrictions on this very important pillar of our society. This will neither serve the country or the people nor will it help the government. We request the chairperson and the prime minister to pay attention to this problem and follow the suggestions made by the senior minister and the chairperson.